Note — This volume is in error (1928)

Seven Pages on Kirkland Lake Mining Stocks

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The Nation's Business

See Small Chance for Share Laws

Many Difficulties Present Themselves

Preston Again Would Bust Trust

Free from Chicago

NOTWITHSTANDING the fact that the more important provinces, from a commercial point of view, are seeking the power to control the sale of shares within their respective boundaries, there is some doubt if the Federal government will bring a workable measure before parliament this session.

At the recent Dominion Provincial conference the provinces which are most vitally concerned in the prevention of wild-catting were unanimously in favor of obtaining such authority. The three prairie provinces, Ontario and Quebec made common cause and it was suggested to the Federal cabinet that only in this way would swindlers be caught and punished, or, still better, prevented from selling worthless stocks.

* * *

THE difficulty is not so much that the cabinet is unwilling to confer the power but that no one seems able to find a way of doing it which will pass muster in the courts. The law officers of the crown, it is learned, have had great difficulty in framing a bill which would not be challengeable under the British North American Act. Furthermore they have pronounced unconstitutional the model bill which was drafted by the attorneys-general of the three Prairie Provinces. That bill provided that the control over the sale of shares should be vested in the governor-in-council, in the right of the Dominion. This would have placed the authority in the hands of the federal cabinet and the understanding was that they should delegate it by order-in-council to the various provinces. The law officers of the crown take the view that the control of a very important function of government cannot in this way be delegated from one body to another but that, under the British North American act, it should be discharged by a permanent department of government. While the bill might not be specifically repugnant to the B.N.A., act, the law officers think that a general case could be made out against it on the ground that it affords no certainty of control. Authority delegated today may be withdrawn tomorrow and delegated again on the third day.

It is understood that Hon. Fernand Rinfret has instructed the law officers to try again to improve the measure and that if they are unable to do so he will bring down the model bill, notwithstanding their opinions, and take a chance on it being upset in the courts.

* * *

W. T. R. PRESTON bobs up again—and in the same place. Again he wants the government to subsidize a steamship line that will break the combine on the North Atlantic. The despatch from Ottawa which we print in this issue is the first news to be published that Mr. Preston is again seeking public support for a private enterprise and it seems to indicate that Ottawa is not at all favorably disposed to the project. This is well. Mr. Preston's recent book is in itself as clear evidence as could be required of the impractical nature of any business scheme brought down by this gentleman. Most of his life has been spent in trying to get this government or that either to subsidize steamship lines that would, by reason of the subsidy, be able to provide unfair competition against established interests and thus bring about a general rate war that, he seems to think, would benefit shippers. It is an elementary business principle that the consumer ultimately pays for such unsound price-cutting. Such time as Mr. Preston has left over, between his attempts to bust the steamship trust and his occupancy of government jobs in Canada and abroad, has been mainly given over to trying to get Ottawa or the Ontario government to support the erection of vast cold storage plants in Liverpool for handling Canadian produce. But Mr. Preston is no mere visionary. He knows what he wants and why he wants. Perhaps we might include his motives under the heading of enlightened self interest. Perhaps not. In any event, if Ottawa chases Mr. Preston and his expensive schemes back to Port Hope all Canada will be the gainer.

* * *

IF LEGISLATION now before the House of Commons is enacted there will be created in Canada within a few months a Bureau of Electric Standards. While the utility of such a bureau may not be realized by the average citizen, its creation should have a favorable effect upon Empire trade in electrical appliances.

The lack of such a bureau in Canada has been a subject of unfavorable comment by The Financial Post and other publications for several years and has been a cause of great dissatisfaction to British manufacturers who have experienced difficulty in marketing their products in this country. Hitherto the functions of such a bureau have been discharged by the Chicago Underwriters' Laboratories. The bureau examines all new inventions which are brought out and pronounces favorably or otherwise upon them. The opinion of the bureau is generally accepted by the wholesale and retail trade and the Chicago bureau has been charged repeatedly with favoring United States products to the disadvantage of British. If the Canadian government gets the assent of parliament to the bill now before the Commons, a Canadian Bureau will be set up which will supplant the Chicago tribunal and remove all cause for complaint.

Smaller Investors Will be Unaffected by Tax on Profits

Interpretation by Income Tax Expert Indicates Extent to Which Government Will Apply Its New Ruling

100 TRANSACTIONS A YEAR IS DIVIDING LINE

The recent decision of the Federal Income Tax officials to tax speculative profits in securities or grain has caused much concern among investors and brokers. Who will pay the tax and who will not?

The Financial Post asked an income tax expert of the highest authority to discuss the subject, and his analysis appears below.

It will be noted that the great mass of investors will not be affected. There are many investors, whose transactions amount to a considerable number, who are in a doubtful class and will have to fight it out with the income tax department before it is finally determined if they will be taxed or not.

While no official statement has been made, The Financial Post learns on the best authority that dividing line in taxing stock market speculators will be between those who have as many as 100 transactions or more a year and those who do not. The former will be regarded as seeking to make an income out of speculation and will be taxed on their profits (and of course being permitted to deduct their net loss, if any, from other income), while the others will not be affected.

Taxation of Speculative Profits

By an Income Tax Expert

Are profits derived from buying and selling securities through the stock market taxable? The question is primarily one of fact. In the recent case in the Exchequer Court of Canada, Morrison v. the Minister of Customs and Excise, the question came up for decision. Morrison and one other were in partnership carrying on the business of grain commission brokers. Morrison dealt with his firm as a stranger in that he purchased grain on his own account through partnership, giving to the partnership the usual brokerage fees and maintaining in the books of account a separate ledger account. He had some two hundred and sixty transactions, or if a purchase and sale is regarded as one transaction he had one hundred and thirty transactions. The court decided that Morrison was taxable on the profit from his market speculative transactions in grain.

To What Extent Taxable

The general question therefore arises, to what extent is any person, whether he is a broker by profession or not, taxable on his profit or gain or permitted to have as a deduction a loss sustained. The question does not turn on any amendment of the income tax law but on the act as it stood originally. Each case must rest on its own merits; but first let it be noted that there is no distinction between contracts which are made for the purpose of speculative dealings and contracts which are made for the real purpose of securing the sale or purchase of the actual stock or grain. It may be that market on grain exchange transactions are speculative in one sense, but it is to be remembered that they are real transactions, although the purpose of them may be in the mind of the speculator only a desire to fulfil a gambling instinct. Contracts, however, the substance of which may be called for at any time or may have to be delivered at any time and which are not "frozen" until the happening of a certain event, such as the winning of a race or the conclusion of a particular event, but which may be dealt with at any time by the individual concerned, are real transactions well within the normal and regular conception of any contract whereby a commodity is acquired or sold, evidenced by the documents transferred.

There are laymen, many of whom indulge in so-called speculative transactions in the market, and repeat more than once in each year, and likewise in successive years. The question is as equally applicable to them as it is to stock brokers who deal as individuals in the buying and selling of stocks through their own firms or companies. Stock brokers as such are not singled out as a class and made the subject of special consideration. Any layman who has the same number of transactions with the same success or failure, within the same period of time as a broker, would be subject to the same considerations, for it could not be said that the special knowledge of the broker caused him to exercise any greater or lesser skill than that exercised by the layman, the facts would be that they both operated with equal success or failure and therefore the law would apply equally to them.

There are two questions that must be considered in the light of the Income Tax law. It provides for assessing income, which means "the annual net profit or gain from a commercial or financial or other business or calling . . . and also the annual profit or gain from any other source."

Whether the transactions amount in law to a carrying on of business

(Continued on page 19)

Investment Outlook for Canada Malting is Improved Greatly

Decision to Build New Malthouse and Elevator in Toronto Has Enhanced Stock—Company Has Leased 2½ Acres From Harbor Commission

Investment outlook for Canada Malting has improved materially in the last several weeks with the decision of the company to build a new malthouse and elevator in Toronto. It was announced that the company had leased 2½ acres from the Toronto Harbor Commission. The storage facilities will total 1,750,000 bushels of grain and the plant will be built in such a way as to permit doubling its size under favorable conditions.

Canada Malting Co. now operates plants at Montreal, Winnipeg and Calgary. It has one competitor at Winnipeg with a smaller capacity. One brewer at Vancouver manufactures most of his own malt. Hiram Walker operates a malt house in connection with the Walkerville distillery but buys largely from Canada Malting Co. About 15 per cent. of the total consumption in Canada is imported under a tariff which is equivalent to 12½ per cent. ad valorem.

Business Should Expand

It would seem, from the situation outlined in the foregoing paragraph, that Canada Malting is in a position to retain the bulk of the Canadian business and there are prospects that the business will expand quite rapidly, with plants operating in four principal centres of Canada. The existing three plants of Canada Malting have been operating to capacity with the company hardly making an effort to get new business. It would seem that, with some slight sales effort, good business for the new Toronto plant is assured.

The revision of the Manitoba law which permits the sale of malt beverages by the glass in public places has been of assistance to this company, as was, of course, the change in the statute in Ontario a year ago.

With the co-operation of the Ontario department of agriculture, farmers throughout Ontario are being urged to grow barley in greater quantities. Circulars are being sent to more than 25,000 farmers and advertisements are appearing in a number of journals which reach the farming community.

Barley grown especially for maltsters is of high grade and the company willingly pays a premium for it. It is hoped that, even this year, there will be a material increase in the amount of barley grown in Ontario. It is believed that the farmers will find this crop more than ordinarily profitable. Barley is a fairly hardy crop and does not take much from the soil.

Whether or not the company will be able to get all its barley from Ontario farmers for use in the Toronto malt house, the location of a plant at Toronto will be justified. There will be dockage at the elevator and malthouse and the manufacture of malt in the center of the province which in the last year has seen a marked revival in the legitimate brewing industry will be of distinct advantage.

It is possible that at a later date there will be application to the tariff board for additional protection on malt. It is pointed out that this would be of direct advantage to the farmer inasmuch as the value of the grain going into malt represents about 75 per cent. of the value of the product as sold to the brewer. There have been occasions when Canadian-grown barley was selling at ten cents a bushel more than barley in the United States market, with the result that the Canadian maltser's protection has been wiped out and the farmer's protection likewise wiped out for that portion of his crop entering into the manufacture of malt.

Shareholders of Canada Malting have been notified that the company is now ready to issue share warrants in lieu of registered certificates, where shareholders so desire. Share warrants are negotiable by bearer and there are dividend coupons attached which may be cashed at chartered banks after dividend declarations. The advantage to the company lies in the reduction of transfer charges and there is a further saving in the reduction of the number of checks issued for dividends.

U.S.A. Offers to Build International Canal Unit Without Cost to Canada

From Our Own Correspondent

OTTAWA.—It is learned here that the United States has sent a note to Ottawa, requesting permission to construct a navigation channel from Brockville to Ogdensburg as part of the International section of the St. Lawrence Waterways. This construction is needed to open the first stretch of the river for navigation in view of the early completion of the Welland canal. Hitherto it was thought that Canada would construct this channel but apparently Washington has learned of the recommendation of the National Advisory Committee and is ready to do this as part of the Greater St. Lawrence development.

This would complete the International section without cost to Canada when the time for the work arrives. It is understood that the War Office, Washington, is organizing a party of engineers to examine this stretch of the river to decide whether the channel will be twenty, twenty-five, twenty-seven or thirty feet in depth.

On January 27, The Financial Post exclusively reported that the government at Ottawa has decided to ask the United States to build the International section of the St. Lawrence Waterways. In the previous issue, it was suggested editorially that this be done.

Cockshutt Plow Gain to be About $455,000 for Operation in 1927

This Compares Favorably With $305,450 for Previous Year

MAY DEFER DIVIDEND

Immediate Payment on New Stock is Not Considered Likely in Some Quarters

Cockshutt Plow Co., it is said, will report earnings of $455,000 for 1927, compared with $305,450 for 1926.

Cockshutt Plow preferred has reacted somewhat with the revelation of the scheme of arrangement which would dispose of the arrears of dividend. The plan is to convert the preferred shares into no-par common shares on the basis of one preferred for four common, to pay $10 in cash for each preferred, and to reduce the number of common shares now outstanding from 50,000 to 30,000 of the new common.

The present issued capitalization of the company is 64,650 of $100 par 7 per cent. cumulative preferred now 60 per cent. in arrears and 50,000 shares of $100-par common stock. Under the scheme of arrangement 10,350 shares of unissued $100 preferred stock would be cancelled.

Show $814,000 In Securities

The balance sheet as at December 31, 1926, showed accumulated surplus of $116,942 after payment of 4 per cent. dividends on acount of arrears. The net profit in 1926 was $305,450 and the previous surplus was $70,091. It is believed that the report for 1927 will show a moderate improvement.

In addition to the aforementioned surplus, the company had reserves totalling $2,400,000, of which $1,500,000 represented capital reserve, $500,000 in contingent reserve and $400,000 in merchandise reserve. The company has no funded debt. Cash on hand as at December 31, 1926, totalled $96,038 and investments, said to be largely in government bonds, were shown at $814,238.

Dividend Prospects

It is apparent that the company may need to dip into its reserves or its government bonds in order to pay the $646,500, or $10 the share, on the surrender of the present outstanding preferred stock. In view of this an early or large dividend on the common stock is hardly to be expected. The possibility of indefinite deferment of dividends on the new stock is believed to account for the reaction in the market value of the preferred.

On completion of the scheme of arrangement, the outstanding capitalization will be 288,600 shares of no-par common stock. Dividends of $1 per share per annum would require only $17,000 less than total of net earnings of the company for 1926. In the last seven years, earnings, after depreciation and bad accounts written off, have been:

1926	$305,450
1925	15,789
1924	2,676
1923	985
1922	10,031
1921	624,292
1920	660,921

Shareholders Consulted

Assuming that somewhere between the 1926 earnings of $305,450 and the 1921 earnings of $624,292 could be considered normal for this company, it is improbable that dividends of greater than $1 per share could be expected. The financial community has been hearing that a $1.50 dividend rate was planned, but this, it is stated on good authority, will not be possible in the current year, at least.

The official comment on the capital revision follows:

Owing to severe competition in the agricultural implement trade and the depressed condition of agriculture in Canada during a number of years, the company has not, except for a comparatively short time, following its formation, been able to earn or pay its preferred dividend of seven per cent. In consequence of this there was on Dec. 31 an accumulation of arrears amounting to 60 per cent. The existence of these accumulated arrears and their continuance in the future creates a conflict of interest between the two classes of shareholders and possibly between the shareholders and the company which is disadvantageous to both.

As the accumulated arrears carry no interest it is to the interest of the preferred shareholders to press for their payment as soon as possible. On the other hand, in the interests of the company's business, it may be desirable to preserve the liquid position of its natural assets, or from time to time to devote considerable sums to the maintenance or extension of its business. The interests of the business may thus conflict with the apparent immediate interests of the preferred shareholders.

On the other hand, the claim of preferred shareholders is now so large that the interests of the company cannot fail to be divorced from their interests. In these circumstances it is advisable to recognize the position of the preferred shareholders as the principal owners of the company and to avoid any possible conflict of interest by creating one class of shares and by transferring the bulk of these to the preferred shareholders in exchange for their present holdings, leaving the common shareholders a reasonable compensation for the surrender of a part of what might be termed their equity in the company.

Shawinigan Desires to Increase Capital

From Our Own Correspondent

MONTREAL.—Next week the shareholders of the Shawinigan Water and Power Company meet to authorize an increase in the capital stock. After the authorized capital has been increased, it is generally anticipated that the shareholders will be offered new stock at a price well below prevailing market quotations. The expectation of new rights is the factor which has been in part responsible for the recent rise in the shares. There are also, though, rumors that the company contemplates enlarging its power production by developing further sites which would add a further 100,000 h.p. to its total production.

F. N. BURT GAIN GROWS TO $4.60 ON JUNIOR STOCK

S. J. Moore Reports Improved Business in Both Countries

Annual report of F. N. Burt Co. shows profits of $4.60 per share of common stock for the year 1927 compared with $3.70 per share in 1926, after provision, in both instances, for depreciation, taxes, preferred dividends, etc.

The report signed by S. J. Moore, president, says that the company's business in 1927 showed gains over 1926 in both the United States and Canada, and he notes that after several years of small returns, the Canadian division has entered upon a period of excellent trade. This, presumably is a reference to the fact that the salesbooks again are being marketed at a profit in Canada.

It is also noted that the new section of the main factory in Buffalo was occupied last spring, and Factory C was closed. The company, it is stated, is obtaining the expected benefits from this consolidation.

Probably because of the increase in fixed investments due to payments on account of the new factory, working capital shows a reduction from $1,447,979 to $905,603. Fixed assets, including the new building, are now shown at $3,908,339, compared with $3,533,965 a year ago. Some $15,000 additional has been written off patents, which are now carried at $161,981 and goodwill, for the last two years, has been carried at $1. The convertible preference stock now totals $87,800, compared with $98,500 and there has been a corresponding increase in common stock outstanding to 106,488 from 106,060. The common stock is $25 par and the dividend is 12 per cent.

Accounts and bills payable are now $502,265 against $277,116 a year ago. The reserve for depreciation is $1,502,708, which is an increase from $1,406,046. The corporate surplus is up from $687,279 to $858,763.

Profit and Loss, Year Ended Dec. 31

	1927	1926
Profits	$757,021.59	$664,727.30
Appropriations:		
Depreciation	166,700.83	138,843.69
Patents	26,348.77	25,694.98
Preferred dividends	6,315.75	7,649.25
Common dividends	319,173.00	316,887.00
	$518,538.35	$489,074.92
Sur. before tax. etc.	$238,483.24	$175,652.38
Balance forward	$687,279.99	$1,146,403.08
	$925,763.23	$1,322,055.46
Deduct:		
Prov. for Fed. txs.	67,000.00	100,000.00
Writ. off goodwill	....	534,775.47
	$ 67,000.00	$634,775.47
Balance forward	$858,763.23	$687,279.99

Tax Reductions Will Aid in Stimulating Business

Magazine Publishers Get 80 Per Cent. Drawback

TEXTILE FIRMS HIT

Cotton, Woollen and Linen Duties Again Are Cut by Minister of Finance

Tariff changes announced in the budget are more important as a low-tariff gesture by the government than for the effect they will have on business.

Perhaps the most important change was that relating to the Empire trade. Imports to secure the advantage of the British preferential tariff must now be 25 per cent. Empire labor and materials. Mr. Robb proposes to double this percentage. There will be similar increases in the percentages required on goods entering under treaty rates and the intermediate tariff.

Several changes are announced for cottons and woollens. Material reductions are made in a large range of household cottons. Rates are lowered on yarns, while the British preference is widened.

For woollens, a duty reduction on mitts and all but more expensive lines of underwear, socks, stockings, is made. Yarns for weaving are to come in free under the new ruling. The preferential duty on woollen goods imported in gray, for dyeing and finishing is also reduced.

British preference rates on the finer grades of linen are reduced. Reclassification of linens and of flax and jute products is also ordered.

Get Help in Machinery

At the same time tariff on textile machinery is considerably lowered. On large part importations British preference duty is lowered from 10 to free, while the intermediate is reduced from 10 to 5 per cent.

Apparently the government desired to cut the tariff on these commodities but did so in the way that would hurt the mills the least.

Minor changes announced include reduction in duty on press blankets, flake calcium chloride for road treating, non-alcoholic preparations for disinfecting, etc., and parts for fishing boat engines and nickel chromium for making electric resistance wire is placed on the free list.

One of the outstanding changes in the tariff announced by the Minister of Finance is the drawback of eighty-per cent. on certain kinds of magazine paper. As the Canadian mills only sell about 10 per cent. of their entire output to the Canadian publishers, the effect will not be detrimental to the mills. On the other hand the cost of paper to the magazine publishers in this country will be lowered and should enable them to meet competition of American magazines in the Canadian market on a more equitable basis.

Special significance attaches to the placing of crude petroleum on the free list till July 1, 1931. At the present time oil of certain specific gravity, or state of manufacture, is imported into Canada under a tariff ranging from 3-10 to 5-10 cents per gallon. As a result of this change, certain refiners in Canada will be able to secure their supply of crude in a more advanced state than formerly. The result will be that the processes of manufacture at present undertaken in the country will be limited and less employment provided in the refineries. At the same time American producers will be able to handle their products to a larger extent and pass on a more finished product to Canadian refiners.

Salt manufacturers are aided by a ninety-nine per cent. drawback on bituminous coal for melting or evaporating salt.

Hardware and tool manufacturers will benefit considerably from the drawback of sixty per cent. on materials used in the manufacture of various tools when at least 50 per cent. of production cost is incurred in Canada. This closely resembles a similar drawback granted to automobile accessory manufacturers last year. Not only did it provide a large amount of additional work for the companies engaged in that line, but also was responsible in creating more employment, etc. Such results are expected for the tool makers.

The drawback of fifty per cent. on materials used in airplane engines, is primarily designed to aid the airplane industry in Canada, which is just now getting underway. In the past year the Canadian and provincial governments, as well as the different aero clubs established across Canada, have created a demand for machines. These, in the main, have been imported. After July 1, no drawback will be allowed unless 40 per cent. of cost of production is incurred in Canada.

How Budget Changes Affect Business

FAVORABLE

Cut in income tax, by 10 per cent.

Cut in corporation tax from 9 to 8 per cent.

Reduction of sales tax from 4 to 3 per cent.

Promise of further tax reductions as surpluses grow.

Surplus of $55,000,000.

Total tax reductions of $19,000,000.

Imports to secure advantage of British preferential tariff must hereafter be 50 per cent. empire labor and materials or double what it is now.

Reductions in net debt by $41,896,729.32, or $10,500,000 more than estimated.

$105,942,498.65 was paid off the national debt.

UNFAVORABLE

Necessity of writing $16,000,000 of soldiers' lands and loans for seed grain.

Some further tinkering with cotton, woollen and linen tariffs.

MR. ROBB'S SUMMARY

"A spirit of hopefulness has been developed, and as we entered the present calendar year one could not help but note that leaders of industry and finance emphasized that the present prosperous conditions sprang from the solid growth and solvency of the basic industries of Canada.

"With revenues now buoyant, there is a tendency to have the Dominion embark on many new ventures, as well as a tendency towards indiscriminate private speculation. We should not, however, forget our national debt. Work and thrift are the only sure roads to success. The generation that spent the money should not shirk its responsibilities. Further taxation reductions will become possible as Canada progresses, but national progress is dependent on the wholesome good-will we practise towards one another."

Cut in Income and Corporation Taxes Favorable Factor

SALES TAX CUT IS AID

Reduction of 25% in This Tax Will Help to Boost Sales of Manufactured Products

The further tax reductions announced in the budget speech of Hon. J. A. Robb are the most favorable feature of the government's financial program for the coming year.

Direct stimulus to business should result from the reductions in the income tax and in the sales tax.

The cut of ten per cent. in the general scale of income taxation is not likely to be followed by any reduction in revenue. The income tax rates were cut a year ago by about that percentage and the result was to swell the total of income first through giving encouragement to business and second because of the greater prosperity of the country.

Cut Corporation Tax

The reduction in the corporation tax from nine to eight per cent. was anticipated by business generally. It will be exceedingly welcome for it will put Canadian business in a better position to compete with American and other foreign companies. The rate has gone down from 10½ to 8 per cent. in two years.

There had been some earlier forecasts that the sales tax would be cut in two but this was unduly optimistic, considering the need of the country for a minimum of revenue to meet expenses. The fact that the sales tax has been reduced from four to three per cent. is exceedingly favorable. The three per cent. sales tax will be much easier to absorb in selling prices of all commodities and thus a direct impetus is given to business by the cut.

Dominion government expenditures are now on the increase. Expanding revenues permit this to be done at the same time that debt and taxes are reduced. The following table shows that expenditures for the current year will be the highest since 1922.

Expenditures

Fiscal year to March 31:

1922	$347,500,000
1923	332,293,700
1924	324,813,200
1925	318,891,900
1926	320,660,500
1927	319,549,000
1928 (est.)	333,730,000

However surpluses have grown and for 1928 will be $54,815,000. Mr. Robb's intimation that surpluses will be applied to tax reduction as well as to debt reduction. He failed to take up the suggestion of the Investment Bankers Association of Canada that a definite sinking fund plan should be adopted.

U.S. Steel Not Coming; Steel of Canada Ready

Montreal reports that United States Steel Corp. would begin to immediately manufacture all lines of steel at its Ojibway plant, established several years ago but never operated, have been denied by James A. Farrell, president of the corporation. Mr. Farrell said that the only activity at Ojibway is connected with the removal of the corporation's Canadian wire plant from Hamilton.

There have been rumors recently of the United States Steel Corporation's intention to embark more definitely in the Canadian field and investors in various steel stocks have been inquiring as to the outlook in view of this possibility.

Undoubtedly the entrance of a fourth large-scale manufacturer of steel and steel products in Canada would add to the severity of competition and reduce in some degree the volume of business remaining for the existing plants. But the existing companies which are not in the best of condition financially would be the primary sufferers. Steel Co. of Canada, on the other hand, would suffer only in so far as its competitors were able to undersell and reduce the volume of output from the Steel Co. of Canada's plants.

It is stated on good authority that Steel Co. of Canada in the last several years has been spending huge sums in rehabilitation of plants and that, at this moment, it is in position to manufacture steel for the Canadian market as cheaply and efficiently as it could be manufactured by any company operating under Canadian conditions. In view of this, any plans which may involve new competition in the Canadian steel business are not likely seriously to affect the investment outlook of Steel Co. of Canada.

Southern Canada Power Rumor of Sale Denied

From Our Own Correspondent

MONTREAL. — When Southern Canada Power jumped to over 160 this week, rumors of the sale of the company accompanied the appreciation. These were promptly and properly spiked by the president who told the newspapers that he knew of no negotiations leading to the sale of the control of the company and that the property was not for sale at any price.

The rise in the shares must, therefore, be due to developments within the company. There has been no spectacular development of late to account for the sudden strength in the shares, but month by month the gross and net profits of Southern Canada Power have steadily increased. Last year total dividends of $3 instead of the former $2 per share went to the stockholders. As The Financial Post pointed out at that time, the three $1 dividend payments in 1927 gave every indication of a $4 dividend in 1928.

Probably Southern Canada Power will pay $4 per share this year—a dividend rate most certainly not out of line with present prices. For instance, Montreal Power and Shawinigan sell at close to par, yet they pay only $2 per share per year. Power Corporation has not declared an initial dividend on its common, yet the stock changes hands at over 80. Even at its present high figure, the shares of Southern Canada Power occupy a better position than the shares of several other power companies which are perhaps more comparable to a medium sized organization such as Southern Canada. Hence there is no reason for the shareholders to fear any real reaction in the stock.

Fiasco in Loans Increases Debt

The proposal to write $16,000,000 off the account for advances to soldier settlers and for seed grain loans indicates how sorry has been the result of political interference in long term loans to returned soldiers who have settled on farms. The government loaned $100,000,000 to soldiers to enable them to establish themselves on farms throughout Canada. Continuous and insistent demands were made that these lands should be revaluated. This was finally done and millions of dollars were written off their value. The government is wisely absorbing this sum and writing up the net debt of the country by the necessary amount. The other write-offs are chiefly for similar advances, notably seed grain loans.

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National Banking System Already Exists in Canada, Robb's Reply to Demands

J. S. Woodsworth and Other Western Members Will Present Proposals to Change Banking System to Parliamentary Committee

From Our Own Correspondent

OTTAWA.—There is going to be another free-for-all discussion of the Canadian bank system this session. Western members, who have been arguing for a national banking system although they themselves have not yet been able to define what a national banking system is—were successful in having referred to the Committee on Banking and Finance of the House of Commons, a resolution calling for the establishment of a national system of banking. J. S. Woodsworth, of Winnipeg, William Irvine, of Calgary, and some of the other more radical members from the West talked at length on the resolution the other day.

The essence of their complaint concerning the present banking system was that it put too much power in the hands of a small group of men controlling the country's present banks. That was the situation they saw and that they wanted remedied. How they wanted it remedied was a little indefinite. In fact, all they wanted was a chance to discuss the whole banking system of the country in the banking and commerce committee. They do not hope and hardly could hope to interest the house at this session in a revision of the country's banking structure but they want a chance to air their views anyway.

Robb Speaks Strongly

A feature of the debate in the house was a spirited defence by Hon. James A. Robb, minister of finance, of the present banking structure of Canada. He made it clear that it was his opinion that Canada already has a national system of banking.

"When you compare the banking system and the bank failures of Canada in recent years with the bank system and the bank failure of any other country there can be no doubt that Canada has much reason to be proud of her system," he said. When the movers of the resolution asked the Dominion to go directly into the banking business it seemed to indicate that they had not carefully reviewed the record of experience of the government in loaning money in the West.

The westerners, said Mr. Robb, objected to Canadian banks loaning money abroad. In fact, Canadian banks brought more money to Canada than they loaned out of Canada. According to the bank statement for December 31 last, aggregate commercial loans of banks elsewhere than in Canada were $264,708,072 and the aggregate deposits elsewhere than in Canada, were $374,425,788; or $110,000,000 more was received in deposits than was paid out in loans in those countries.

The reason Canadian banks made loans in New York and in London was because there was no liquid investment for money at home and rather than have it lie idle in Canada, it is sent to London and New York where, although it is earning a small rate of interest, it is available whenever Canada needs it for the requirements of her own commerce.

Losses in West

In replying to the charge of H. E. Spence, member for Battle River, Alberta, and chief whip of the United Farmers of Alberta, that the present banking system did not meet the requirements of the West, Mr. Robb indicated that the government was still trying to collect $2,000,000 it had loaned largely in 1915, but some way back in 1880. "We have loaned not only in Western Canada but in all the provinces over $100,000,000 under the soldier settlement scheme. And what is the position when the banking system is brought into politics? Hon. gentlemen come to parliament year after year and asked the government to revalue the lands on which the money has been loaned, informing the government that the soldiers were not able to meet their payments. Under the revaluation legislation, Canada stands to lose about $16,000,000. This is our experience when Canada goes into the loaning business."

One Man Control in Australia

Mr. Robb pointed out that the Western members objected to a group of sixty men, directors of the Canadian banks, controlling the credit resources of the country. They had referred to the Commonwealth Bank of Australia, a government institution. But the Australian bank was managed by one man who was a real czar. The Commonwealth Bank was of small use to the commercial community of Australia and to the farmers. Only 7½ per cent. of its funds was available for such loans.

"Under the finance act we now have a national banking system," said Mr. Robb, continuing:

"This is not the first time the question has been proposed for submission to the banking committee. Hon. gentlemen will recall that it was submitted in 1923 and again in 1924. Experts were brought here from Washington and the matter was gone into. In the course of the debate leading up to the referring of a resolution to the banking committee the question was asked, why should not Canada have a system similar to the federal reserve bank of the United States? A gentleman was brought here and appeared as a witness before the banking committee and he declared that under the Finance Act we are in Canada providing economically all the facilities that are required for carrying on the business of the country, and that we are doing work equally as good as that performed by the federal reserve system in the United States.

"And when hon. gentlemen say that the banks are given the right to put out all the money issued, the records show that of the Dominion notes issued—apart from coins issued by the Dominion—on the 31st day of December, 1927, there were $220,835,000 of Dominion notes outstanding, while bank circulation at the same date amounted to $182,747,000. So there was then outstanding a greater amount of Dominion notes than bank notes.

Revenue from Banks

"As regards advances under the Finance and Bank Acts, since 1914-15 we have received a total of $16,831,894 from the banks for circulation charges and $14,402,129 as special tax, a total of $31,334,023. It is true that under the Finance Act the government has no authority to loan directly to the customer, and in the light of the experience which the government has had in connection with loans made for seed grain in the west, and under the Soldier Settlement Board throughout Canada, it is a good thing that we have not that authority. We have, however, authority to make loans to the banks on certain securities stipulated, and any bank requiring funds has no difficulty in getting all the money needed to carry on the general affairs of the country. The proof that the banks have no difficulty in getting money lies in the fact that conditions throughout the country are good. No one is complaining that there is any insufficiency of funds. We did hear, however, from the hon. member, Mr. Woodsworth, who presented the resolution a complaint to the effect that Canadian banks were doing business in other countries, sending Canadian money out of the country, while in the very next breath some other hon. gentleman complained that money was coming into Canada. This shows the difficulty of trying to satisfy everyone. You will see large headlines in the press asking the question, 'Why allow foreign capital to come into this country?' and at the same time somebody gets up in this house and declares that we should not allow our capital to go out. Now there is a happy medium, and while I repeat I have no objection to the resolution being studied by the banking committee, I must say I have a decided objection to advertising to the world at large that Canada has not a national banking system."

In presenting his resolution, J. S. Woodsworth, said, in part:

"I recognize very clearly that a fully developed system of national banking is not immediately practicable. In fact, the terms of my resolution have been criticized by some of my friends as suggesting that we would at once wipe out all private banks. That is by no means the thought behind the resolution. On the other hand, some have suggested that we already have a national banking system. But I do not think that it will seriously be contended that the present system is 'national' in the sense of being nationally controlled. My resolution would look to a larger measure of control of the existing chartered banks and more than that, towards more widespread public banking facilities.

"In my speech two years ago in support of the resolution I then moved I said that it seemed to me there were certain measures which might be adopted. First of all, currency should be issued by the government. Secondly, our postal savings banks should be developed and modernized and freed from red tape. Thirdly, the provincial savings banks might be given full banking privileges. Fourthly, there should be larger facilities for co-operative credit. Fifthly, a central bank board should be created.

Place to Make Start

"It would seem to me that it is in this last direction we must look if we would make a beginning in a thoroughgoing system of national banking. It is quite possible that with the enlargement of the functions of the present treasury board we might be able to work out a central bank board which would be responsible for the issue of currency and would become a bank of re-discount. I might say that at the present time there is considerable agitation in Great Britain for the nationalization of the Bank of England, which we all recognize is there functioning as a central bank, but is still under private control.

"The need for a national control of our financial system arises first of all from the concentration of financial and industrial control which to-day places our resources very largely in the hands of comparatively few individuals or corporations. In 1922 information was placed on Hansard by Mr. Andrew McMaster showing how fifteen men controlled corporations with assets amounting to $4,285,000,000. The total assets of the four largest banks in Canada—the Bank of Montreal, the Royal Bank of Canada, the Bank of Nova Scotia and the Canadian Bank of Commerce—on November 30, 1927, were given at $2,529,488,102."

Summarizes His Demands

"If I might recapitulate what I have been trying to say, I would urge that we need greater government control than we have at present because we have reached a stage of industrial and financial development when a few men, not directly responsible to the people, control the money practically of the whole people of Canada.

"Secondly, the banks still have in their own hands the valuable franchise of issuing currency. This should not be given to any privileged group. The issue of money is essentially a government function.

"Thirdly, I went on to speak of the control of credit. It is necessary to have some central control in order that the weaker portions of the country and the weaker industries can be protected against those strong concerns which now are working in such close co-operation with the banks. Further, as undoubtedly, according to the authorities I have quoted, the amount of money in circulation, including the credit which is given, has a direct bearing on the costs of living it is all important that this function, too, should be controlled by officials who are responsible to the public, and not to irresponsible private corporations.

"There is a fourth point which I have not had time to develop, but which I shall simply mention in closing, and that is that if some plan of this kind could be carried out it would assist materially in government financing. Only the other day we had introduced by the government a proposal to raise a loan of $500,000,000 for Canada. I suppose the way we will raise that money is to go out on the money market and pay a high rate of interest, with commission charges, and all that kind of thing. Surely, if we had even a fully developed savings bank system, we could do better. If we had an institution along the line I have indicated, the government would then be enabled to do its own financing on much more advantageous terms than is possible under the present system."

C.P.R. Vice-President

JOHN LESLIE, appointed vice-president in charge of finance of the Canadian Pacific Railway, succeeding the late I. G. Ogden.

To Meet to Ratify Supertest Pete Splits

Annual and special general meetings of shareholders of Supertest Petroleum will be held at London on February 20th, when the annual report will be received and proposed splits in the shares, previously announced, will be ratified by the shareholders.

One by-law calls for a decrease in present preferred stock class "A" by cancellation of the 3,000 unissued shares of $100 par value. The second by-law calls for conversion of the existing 25,000 no par common shares into 50,000 fully participating non-voting ordinary shares and 25,000 fully participating voting shares. In other words, for each common share held now, there will be given 2 shares of new non-voting ordinary shares and 1 share of voting common. The third by-law to be presented calls for creation of 225,000 ordinary fully participating non-voting shares.

Third Canadian General Trust Formed in London

Formation of the third Canadian General Investment Trust in London, Eng., along the lines of the original and second trusts formed in Canada, has been accomplished.

W. W. Evans, president of the Traders Finance Corp., who, together with Arthur Meighen, was instrumental in forming the Canadian General Investment Trust, has just returned from England. While on the other side, Mr. Evans arranged for the English board of directors and the appointment of Sir Ronald Waterhouse as managing director. The names of the board will be announced early next month.

A Dominion charter has been taken out for the newly formed trust company. It does not differ in essentials from that secured for the other two. Canadian General Securities, Ltd., will provide the management service and investment counsel subject to the supervision of the board of directors. The capital set-up will amount to $10,000,000, or roughly £2,000,000, on a one-class share basis. This follows the practice adopted by many of the English financial trusts.

It is understood that the Investments of the third Canadian General trust will be largely confined to this country, much along the same lines as the original trust. An interim report of the latter, for the year ended December 31 last, shows a preponderance of Canadian securities, although there is a fair sprinkling of American and other foreign investments.

The creation of this trust should go a long way toward bringing about a rehabilitation of goodwill among English investors towards things Canadian. The heavy losses of English investors in Canada in the past has been due to their inability or their failure to secure accurate information and to keep a watchful eye upon their investments.

Such a service will be provided for them through the medium of the investment trust and if returns are as good as these already attained by the Canadian General Investment Trust, the result should be the fostering of a renewed British investment interest in Canadian enterprises.

J. S. MITCHELL, COMMON AT 40, EARNS OVER $5

Hardware Firm's Annual Report Reveals Very Strong Position

WORKING CAPITAL UP

From Our Own Correspondent

MONTREAL.—Annual report of J. S. Mitchell & Co. for 1927, reveals that the earnings were more than up to expectations, with profits applicable to the common stock of $5.30 per share. The liquid position is exceedingly strong with a working capital of $715,000 and a ratio between current assets and current liabilities of eight to one.

The common stock has been selling at 40 and under.

The income account shows that net profits amounted to $120,000. After deducting preferred dividends there remained a sum of $79,539 applicable to the common part of which was transferred to general reserve and the remainder went to increase the surplus account.

Working Capital Up

Balance sheet shows that current assets are almost equal to twice the figure at which the plant and properties are carried on the books. Cash on hand and investments amount to a figure just less than half the amount of preferred shares outstanding. The capital and surplus accounts are carried at one figure in the balance sheet which shows a total of $428,892 applicable to the common stock and to surplus. Total assets stand at $1,260,636 of which $823,658 are current assets.

During the year the working capital increased by over $73,000. The total mortgage indebtedness of the company is $133,100 and the balance sheet shows preferred shares outstanding to the extent of $590,000.

The company is a wholesale and retail distributor of heavy hardware in the Eastern Townships and does a large business in explosives.

Eastern Group is to Finance West Saddlery

Control of the Great West Saddlery Co., of Winnipeg and Calgary, one of the largest manufacturers of finished leather products in Canada, has passed into Eastern Canadian hands. Over a million dollars is involved in the deal.

Throughout Western Canada, the products of this company have been well and favorably known for the past two decades and more. As its name implies, the company originally specialized on the manufacture of saddlery. With the passing of the great ranches in the West and the introduction of grain and mixed farming, production has gradually changed over to harness and other leather products demanded by the rapidly growing agricultural communities.

Although full details are not available, it is understood that there will be no change in the policy of the company. R. J. Hutchings, who has been at the head of the concern for many years, will probably continue to be actively connected with the new company.

Financing in the form of bonds and preferred stock will likely be announced within the next two weeks.

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Motor Rating 1928 Program Expected Soon

From Our Own Correspondent

MONTREAL.—No definite action has as yet been taken as a result of the special meeting of automobile insurance men, held in Montreal at the end of January. The Canadian Automobile Underwriters Association, under whose auspices the meeting was held, are maintaining a discreet silence, but within a few days it is expected that an announcement covering the whole automobile rating program for 1928, will be forthcoming.

The meeting which lasted for four days in Montreal, was composed of representatives of practically every company writing automobile business in Canada, whether tariff or non-tariff. The purpose of the gathering was of course to discuss the contentious question of a program for 1928, and the best part of a week was spent in threshing out the various problems and adjusting the various differences of opinion, so that every side of the automobile insurance problem was presented.

It is understood, however, that the 1928 program as proposed by the association was unanimously agreed upon. This program as discussed in The Financial Post for the last few months, will probably provide for increases in the rates on public liability, property damage and collision coverage, in order to meet the heavy losses that have occurred in these classes of late. Furthermore, it is understood that the new program will provide for a decrease in the acquisition costs of business, by a reduction in the rate of commission now paid to agents. This is considered by the association as another pre-requisite to the placing of the automobile insurance business on a sound plane for the coming year, which starts, to all intents and purposes on the first of March.

There seems no doubt that when the final program is announced by the Underwriters' Association, at least a majority of the automobile companies, whether they were previously tariff, or non-tariff, will be included in the association for the coming year at least.

Pays First Dividend Since Before Great War

Good effects of the organization of Standard Chemical Co. are shown by the fact that the directors have declared a dividend of $1 per share on the 37,277 no par common shares outstanding. No dividends have been paid by this company since 1914, although in the later stages of the war there was great activity in all its plants.

Post-war troubles of the company were due to the necessity for drastic deflation. Various plants have been abandoned and written off. The reorganization whereby the preferred shares of $100 par value were converted into common shares of no par value was effected last August. Many of the shareholders of Standard Chemical Co. live in Britain.

Net Profits of Inter. Paper Likely to be $5,700,000

From Our Own Correspondent

MONTREAL.—The International Paper Company and its subsidiaries are expected to show net earnings of $5,700,000 in the income statement to be published soon. This compares with $3,275,283 in 1926 and would be equivalent to $2 a share on 990,614 no par common shares. Net earnings in 1926 equalled $2.15 a share on 500,000 no par common shares.

January Trade Returns Show Increased Imports

January trade and revenue returns more nearly approximated the returns of the last corresponding month than those of any other month during the present fiscal year. The trade returns for January in 1927 and 1928 were:

	1927	1928
Imports ...	$78,805,632	$79,506,417
Exports	84,094,692	82,564,479
For. exports	1,171,489	1,863,264
Total trade ..	164,071,813	163,934,160

For January, 1928, the duty collected was $11,797,595, and for January, 1927, $11,499,795. For the ten-month fiscal periods the duty collected was to January 31, 1928, $139,355,327, and for the previous corresponding ten months $129,720,437. When the ten months' trade is reviewed the conditions are not so bright. It is true revenue increased, but total trade made little progress, and imports were much greater and exports considerably less.

The total increase in trade for the 10 months was about $27,000,000. Imports increased during that period $67,000,000 and exports decreased $35,500,000. The favorable trade balance decreased from $223,000,000 to $130,000,000.

During January the chief increases in imports were iron products and textiles, while imports of non-metallic metals and products decreased. Exports in all classes were about the same as in the previous January.

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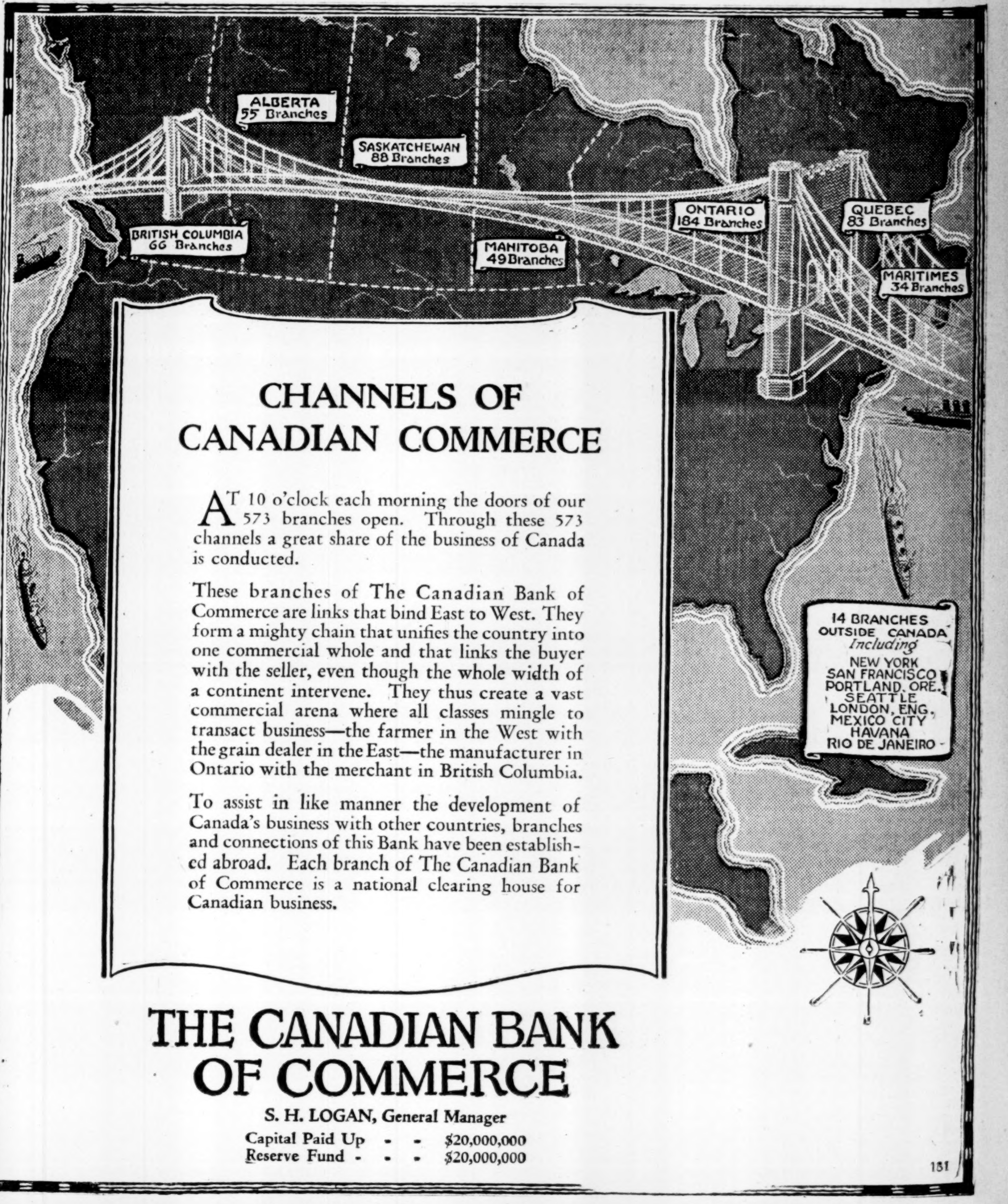
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151

NORBAKERIES PROFITS RATE IS DOUBLED

First Five Weeks of 1928 Double Similar Period 1927

GOOD MARKET VALUE

Anticipated 1928 Earnings Will be Somewhat in Excess of $3 per Share

Northern Bakeries in the first five-week period of 1928 earned at double the rate for the same period of 1927. This information has been received by The Financial Post from a reliable source, but it is evident that the actual figures are not likely to be announced until along in the second year of the new management.

Northern Bakeries was taken over by Canadian interests from Continental Baking Co. in June, 1927. The prospectus stated that the earnings for the first fifteen weeks (under the old management) were $118,247, after depreciation and provision for income taxes. This would be an average of $39,415 for the five-week periods into which baking companies divide their year, and assuming that the first period of the year was about like the average, it would appear that earnings have been about $78,800 in the first five weeks of the current year.

These earnings indicate a net for the year of somewhere in the neighborhood of $3 per share on the 250,000 shares of stock which are outstanding. The annual earnings may be somewhat in excess of this figure, in view of the fact that bread sales normally are somewhat lower in winter than in summer months, while operating costs tend to be a little higher. In view of the generally good business outlook, it may be anticipated that the earnings for 1928 will be somewhat in excess of $3 per share. In the last full year of Continental Control, earnings were $1.59 per share.

Northern Bakeries got above $50 on the Toronto stock exchange three weeks ago and later has been selling from 46 to 48. Thus a market value of from fifteen to sixteen times the earnings is indicated.

This market value is not out of line with the market values of other stocks of companies which are hopeful of increasing business and are well managed.

One of the attractions of Northern Bakeries is that the capital structure consists of one class of stock without either bonds or preferred stock having a prior claim on earnings. Of the 300,000 shares authorized, 250,000 have been issued, of which 100,000 are held by insiders. The balance of 150,000 shares were offered to the public last June at $27 the share. After an initial spurt and a reaction which kept the stock at a level through the summer, the price has been rising gradually.

CITY & DISTRICT REPORT REVEALS RECORD PROFITS

Total Assets Are at Higher Level Than Ever Before

From Our Own Correspondent

MONTREAL. — Reflecting the general business prosperity of this city during 1927, the annual report of the Montreal City and District Bank reveals record profits and total assets at a higher level than ever before. The results of the year's operations are best visualized by the following comparison of income accounts over the past three years:

	1927	1926	1925
Profits	$319,382	$290,344	$276,544
Dividends	211,811	200,000	199,809
Balance	$107,571	$ 90,344	$ 76,745
Donations	3,500	4,450	7,700
Surplus	$104,071	$ 85,894	$ 69,045
Previous surplus	35,507	149,613	280,568
Total	$139,578	$235,507	$349,613
Tr. to res. fund	......	200,000	200,000
P. & L. balance	$139,578	$ 35,507	$149,613

The bank's balance sheet shows that it has $1.07 in liquid assets against every $1 on deposit. With the exception of an almost $2,000,000 increase in the call loans there were no significant changes among the assets. In the liabilities, deposits now amount to $57,891,171 as against $56,200,000 a year ago. The outstanding capitalization was increased during the year by $358,700 and now totals $1,858,700.

In his remarks to the shareholders at the annual meeting, Hon. R. Dandurand said in part:

"The number of our depositors has increased considerably during the year, and we have added another link to our chain of branches by the opening of a new branch on Masson Street and securing premises for another on St. Denis Street north. Our total assets make a new record of almost $63,000,000 and, notwithstanding the falling off in rates of interest obtainable, our net profits have been the best in our history.

"All our assets, which are of the choicest quality, have been carried on our books at conservative figures under market value, so that the shareholders' interests are perfectly safeguarded while the security which the bank affords its depositors is absolute."

TRUST AND LOAN DEPOSITS

Returns to the Ontario government for the quarter ending December 31, 1927, show deposits and investment trust certificates to have increased $40,000,000 within the year. The total at the end of that period was $145,090,476 as compared with $105,262,381 a year ago. Investment trust certificates increased from $56,515,335 to $86,206,269 within the year, trust deposits from $17,172,849 to $22,127,370 and loan company deposits from $31,574,197 to $36,756,837. The foregoing represent the increases only with respect to companies authorized to do business in Ontario.

TWO NEW PARTNERS

MONTREAL.—Jr A. Riddell & Company, members of the Montreal Stock Exchange and the Curb Market, announce that Henry J. Murphy and John A. Ballard, heretofore associated with them, have been admitted to partnership. The firm name will be Murphy, Riddell and Ballard.

No New Law Likely for Export of Liquor

Canadian Liquor Stocks, Which Have Reacted During Last Few Weeks, Should Recover Former Strength Change in Regulations Not Likely

Canadian liquor stocks which have reacted in the last week or two on reports that Parliament would enact legislation to assist the United States in enforcing the Eighteenth Amendment and the Volstead act should now recover former strength because it is known, almost definitely, that the government is not likely to change the regulations materially concerning the export of liquor.

Bankers evinced the first sign of nervousness over the liquor stocks when the recommendations of the customs commission were laid before Parliament. The banks discovered that a large proportion of the total stock of the principal liquor companies was carried in brokers' names, which meant that it was carried on margin. The banks suggested that the brokers reduce the proportion of loans on liquor stocks. The result was selling of liquor stocks in considerable volume.

As has been reported in The Financial Post, January was the best in the history of Hiram Walker. Canadian Industrial Alcohol also is reported to be experiencing excellent business and the principal brewers, including National Breweries and Carlings, are doing a larger trade than ever before.

Perhaps the most serious weakness of the liquor stocks is the fact that so large a proportion of the outstanding total is carried in the names of brokers. This means that not only is it carried as a speculative commitment, but that those who are inclined to hold it as an investment will be tempted to sell on market bulges because selling in such circumstances is convenient.

It has been suggested that this situation which exists to the disadvantage of the company might be corrected by the issuance of share warrants, negotiable by bearer, with coupons attached for dividends. The result of issuance of bearer warrants in lieu of stock certificates would be, in some instances, at least, that holders who did not wish to have liquor stock registered in their own names could hold the bearer warrants.

MUIRHEAD COMMON HAS 50c DIVIDEND

Declaration of Further 10c Establishes This Rate for Year

A total of 60 cents is the dividend on the common stock of Muirhead's Cafeterias. The first payment of 50 cents was made last October and the declaration of a further ten cents establishes a 60-cent rate for the year ending March 31st.

Keeping the cafeteria on Adelaide Street, Toronto, open until 2 a.m. is reported to have been a profitable move. In the lunch hour all three of cafeterias in Toronto appear to be operating at or near capacity.

Several thousand shares of the 7½ per cent. preferred stock of $10 par value are being converted into common stock on the basis of five shares of common to four of preferred. The preferred for conversion had to be filed with the secretary of the company before December 31st. Until next December 31st, the preferred is convertible on a share for share basis.

The common stock has been selling between 14 and 15.

Brittain Will Advise Winnipeg City Council

At the request of the Winnipeg City Council, Dr. Horace L. Brittain, managing director of the Toronto Bureau of Municipal Research, has agreed to act as chairman of the Board which has been appointed in that city to consider the classification of the civic service and the revision of civic salaries. Dr. Brittain was chosen by the Winnipeg Council on account of the wide experience which he has had in municipal work along these lines in Canada and the United States. His work is not new to Winnipeg as he conducted a taxation and financial survey of that city in 1923, which has proven of considerable value. The present work will cover over 1,400 employees and it is estimated that it will take about six weeks to complete.

Production in the agricultural implement and machinery industry in Canada was valued at $38,269,214 in 1926, being 54 per cent. ahead of the previous year.

Operating Profit of $60,543 Shown by Dom. Distilleries

A net operating profit of $60,543 is shown by the Dominion Distilleries, Ltd., operating subsidiary of Dominion Distillers Consolidated Ltd., of Montreal, in its consolidated profit and loss account for the eight months from April 30 to December 31, 1927.

Gross sales amounted to $427,938, from which is deducted inventories $312,217 for cost of goods, duty, freight, etc., $29,773 for operating and maintenance expense; and $25,406 for administration and overhead, leaving profit of $60,543. Addition of $12,853 for previous surplus and $40,489 for reserves, etc., and deduction of $3,500 for income tax reserve, leaves a balance sheet surplus amounting to $110,385.

The Wilder Medal, one of the highest awards made by the American Pomological Society, has been given to the Canadian Government Central Experimental Farm, Ottawa, for the Melba apple, which was originated at the Ottawa farm—a daughter of the famous McIntosh Red, named after the Great Australian prima donna.

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CANADA DRY'S STOCK COMES TO DOMINION

1927 Earnings Per Share Are Estimated at $5.10

GAIN OF 35 PER CENT.

Outlook for 1928, if Normal, Should Increase Profits to $7 Per Share

Canadian interests in the last week have acquired substantial blocks of stock in Canada Dry Ginger Ale, Inc., which is perhaps the leading beverage stock listed on the New York exchange. It is estimated officially that earnings per shares for 1927 will be $5.10 on the 459,706 shares of stock outstanding. This compares with 1926 earnings of $3.85 per share on outstanding stock of 450,694 shares and 1925 earnings of $2.88 per share on 429,960 shares. This represents a gain for 1927 of 35 per cent. over 1926 and 90 per cent. over 1925.

The outlook for 1928, assuming that the summer is normal as to temperature, indicates a further increase in earnings to perhaps $7 the share or more.

Export Trade Expands

The long term outlook is even better. The company until last year was concentrating largely in the Eastern States and in Canada. Only recently was a factory acquired in Chicago to serve the Midwest and there are still the great Southwest and Pacific areas as fields for expansion. Moreover, the company is building foreign trade rapidly and there are few persons who will argue that the export market is limited.

Canada Dry is a popular product marketed at a profit. The management has shown great capacity for manufacturing and distribution and while advertising expenses have been high, the expenditure in every instance has been justified.

The Canadian business is carried on under the name of J. J. McLaughlin, Ltd. A company of this name originated the brand and first of all was successful in its introduction in the Eastern States. While the McLaughlin name does not appear in the list of directors, there still are substantial family holdings in the company and this interest, it is said, has been enhanced materially in the last few weeks, with the official announcement as to probable earnings.

Four Products

Besides Canada Dry Ginger Ale, the company now manufactures and distributes orange juice under the trade name Sumero Orange and in the spring of 1927, it acquired Caledonia Springs Corp., Ltd., and now distributes Magi and Adanac table waters. These are the four products of the company.

It is possible that the company will round out its line further by the acquisition of a United States company preparing and marketing table waters, but so far negotiations have led no farther than to options which as yet have not been exercised. There have been persistent rumors that Postum Cereal, which has acquired several companies in the last two or three years, would acquire Canada Dry, eventually. Probably the presence of C. M. Chester, president of Postum Cereal, on the board of Canada Dry, explains this report.

The Wall Street Journal, commenting on Canada Dry, said recently that regardless of further acquisitions or mergers, "it seems certain that Canada Dry will continue its growth in the soft drink field."

Government Not Recognizing Lindbergh Name for Field

From Our Own Correspondent

OTTAWA.—Officially, no recognizance has been taken by government departments in Ottawa of the naming of a local flying field as Lindbergh Field. There was some protest at this apparent slight on Canadian war aces whose aviation exploits certainly rank as high as those of the gracious young American who won the hearts of all by his more recent achievements.

The field on which Col. Lindbergh and his squadron landed has been popularly named Lindbergh Field since last July. It is hardly likely to be used as an aviation field after the new Rockcliffe government aviation field is completed. It may be taken for granted that the Rockcliffe field will not be named Lindbergh, despite Mr. Lindbergh's sterling qualities and excellent aviation record, certainly not until Canadian war aviators have been suitably recognized in similar manner.

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Canadian Railway Traffic is Ahead Substantially

Railway traffic on Canadian lines this year to date has been substantially ahead of that for the corresponding period last year. During the week ended February 4th, 64,971 cars were loaded, as compared with 62,104 in the preceding week and with 59,496 for the same period last year. This brings the cumulative total for the year up to 308,801. This compares with 293,273 and 273,441 in the corresponding periods of 1927 and 1926, respectively.

Loadings by classification this year show increases for grain and grain products, coal, coke, pulp and paper, other forest products, ore and merchandise, while lumber, pulpwood and miscellaneous declined. There was little change in the loadings of livestock.

ADMITTED TO PARTNERSHIP

MONTREAL.—Flood, Potter & Company, members of the Montreal Stock Exchange, announced that Georges Bernard has been admitted to partnership in their firm. For 12 years he was connected with L. G. Beaubien & Company, and for the past year he has been manager of the French Department of Flood, Potter & Company.

Still another order has come from New Zealand for British Columbia hogs for breeding purposes, the demand by cable from a local buyer being for the shipment of three herds, each consisting of three sows and a boar, of the Tamworth, Berkshire and Large Black breeds.

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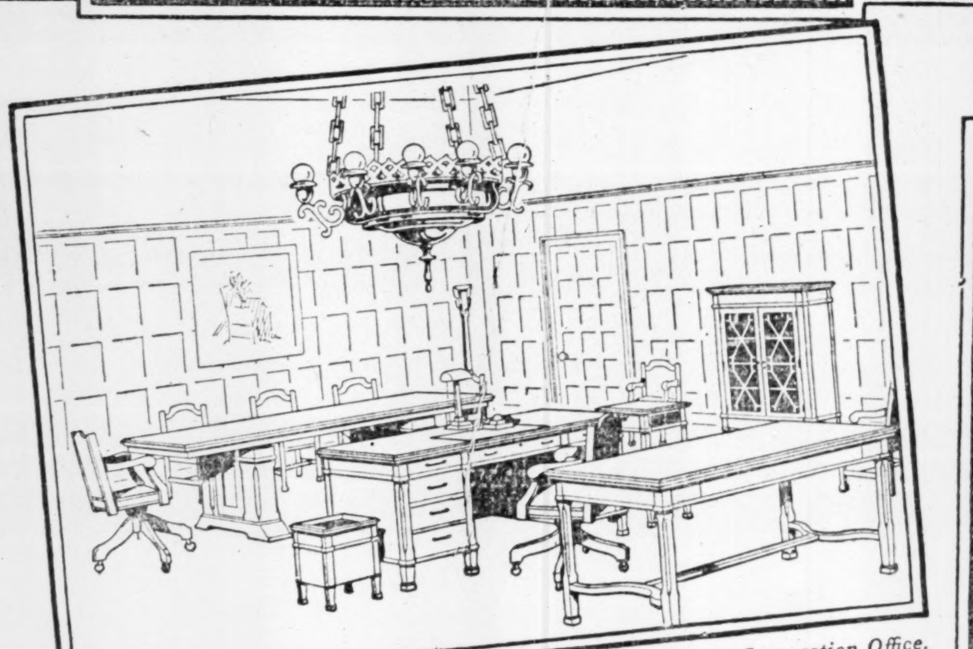

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New Issue

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TRANSFER AGENT: The Royal Trust Company, Montreal, Toronto and Winnipeg.
REGISTRAR: Bankers' Trust Company, Montreal, Toronto and Winnipeg.

CAPITALIZATION

	Authorized	To be issued
Common Stock of no par value Class "A" (this issue)	750,000 shs.	400,000 shs.
Common Stock of no par value Class "B"	500,000 shs.	300,000 shs.

BUSINESS: BATHURST POWER and PAPER COMPANY, LIMITED, is being incorporated under the laws of the Dominion of Canada to take over the assets and undertakings of Bathurst Company, Limited, which Company, or its predecessor, has been in successful operation since 1907. The Company owns and operates a newsprint and pulp mill at Bathurst, N.B., with a daily capacity of 65 tons of newsprint paper, 75 tons of kraft pulp, and 65 tons of sulphite pulp. The installation of an additional newsprint machine now under way will increase the capacity to 130 tons of newsprint per day by July, 1928.

TIMBER RESOURCES: The Company has leasehold timber limits in the provinces of New Brunswick and Quebec, comprising approximately 2,625 square miles. These limits, which are held under lease direct from the Crown, are estimated to contain over 18,000,000 cords of pulp wood. The timber areas in the province of New Brunswick are situated on rivers tributary to Bathurst Harbour, Baie de Chaleur, and those in the province of Quebec on the Bonaventure and Cascapedia Rivers, also flowing into the Baie de Chaleur. This territory is one of the most favorable in Canada for natural reforestation.

HYDRO-ELECTRIC POWER: The Company, with its subsidiary, Bathurst Electric and Water Power Company, Limited, owns and operates a hydro-electric plant at Great Falls on the Nipisiguit River in New Brunswick, with an installed capacity of 10,000 h.p. In addition the Company owns other power sites on the same river which are capable of developing 40,000 h.p., giving a total ultimate capacity of 50,000 h.p.

ASSETS: The Balance Sheet as at December 31st, 1927, after giving effect to present financing, shows net current assets amounting to $2,609,611.20. The value of the fixed assets of the Company, including timber limits (valued at $0.75 per cord), pulp and paper mills, hydro-electric plant and undeveloped power sites is estimated at $21,447,086.85, making total fixed and current assets of over $24,000,000, or the equivalent of more than $60 per share on the Class "A" Stock.

EARNINGS: Messrs. Price, Waterhouse & Company, have examined the books and accounts of the Company, and their report shows net earnings after deducting operating expenses and maintenance, but before depreciation, depletion and income tax, for the past three fiscal years to have exceeded $850,000 per annum. The installation of the additional newsprint machine should materially increase the earnings of the Company. It is the intention of the management to install additional machines for the manufacture of newsprint and other classes of paper as the market warrants.

MANAGEMENT: Under arrangements now being completed the operations of the Company are to be under the management of the Canadian International Paper Company, Limited.

All orders will be received subject to the approval of the proceedings by Counsel and to the issue and sale of the shares as planned. The right is reserved to reject any application and also, in any case, to allot a smaller amount than applied for.

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Statements contained in this circular are not guaranteed but are based upon information which we believe to be reliable and upon which we acted in purchasing these securities.

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The Canadian Pacific Railway, through its Bureau of Canadian Information, will furnish you with the latest reliable information on every phase of industrial and agricultural development in Canada. In our Reference Library, maintained at Montreal, are complete data on Natural Resources, Climate, Labor, Transportation, Business Openings, etc. Additional data are constantly being added.

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FUTURE IS BRIGHT FOR NATIONAL CAR, STATES MONTREAL

Improvement in Earnings is Anticipated in Near Future

HAS EFFICIENT PLANT

Predicted There Will be Material Increase in Steel Railway Car Building Shortly

Montreal interests which recently have become identified with National Steel Car (from a market point of view) are confident that the future of the company is bright. Fluctuations in earnings have been marked for several years but it is believed that there will be an improvement in this regard in the near future.

The principal reason for this is that Canadian railways which were superabundantly supplied with freight cars and other rolling stock are beginning to experience a shortage. There was excessive building of freight cars for several years before the war. Most of these were wooden cars and many of them are now ready to be scrapped. It is predicted that the next two or three years will see a material increase in the amount of building.

At the present time, the railway equipment companies are preparing bids for about $2,000,000 of equipment for the Canadian National, including 260 ballast cars, 50 colonist cars and 50 other types of cars.

Efficient Plant

In the past, National Steel Car has obtained about 35 per cent. of the car-building business in Canada and it is reasonable to assume that this percentage will be maintained. The plant at Hamilton, with a normal capacity of 20 cars per day, is more than ordinarily efficient, it is said, and it is to the interest of the railways to distribute the business among the three principal companies engaged in this line in Canada.

It is said that the factory of National Steel Car is so designed and managed that it can operate at a profit whether at capacity or when building only three cars per day. Moreover, in the last few years a lucrative business has been built in automobile frames and the company has been successful in the building of trolley cars. The plant can be enlarged without disturbing the present system and plan.

National Steel Car lost heavily as a manufacturer of motor trucks, but this loss has been written off and the company is out of the truck business except for carrying spare parts for trucks still in use.

A circular recently issued by Greenshields & Co. and McDougall & Cowans, gives the annual average net earnings of the company for the last four years, after fixed charges and depreciation, of $227,893, or $2.27 per share of common stock. There is no preferred stock and the outstanding bonds, as at September 30, 1927, totaled $860,000.

MANUFACTURERS OF GREAT BRITAIN TO VISIT CANADA

Party Will Follow Advice Given by Prince of Wales

From Our Own Correspondent

LONDON.—A party of British business men will tour Canada during August and September under the auspices of the Federation of British Industries.

The majority of manufacturers who have decided to go are interested in points in Eastern Canada, and are making arrangements, while the party has its headquarters in Toronto, to make trips either individually or in small groups to various points within easy reach, such as London, Hamilton, Ottawa, etc.

May be Other Parties

Great interest is being taken in the trip in Canada, considerable gratification being expressed that the Prince of Wales's invitation has been acted upon so rapidly and effectively. Numerous Canadian national and municipal bodies are already taking steps to offer hospitality to the party.

It seems possible that in addition to the party leaving on August 17, a further one or possibly two parties will be arranged, carrying out substantially the same programme but a week or so earlier or later.

Programme

August 17—Sail from Liverpool.
August 24—Arrive Quebec.
August 25—Arrive Montreal.
August 26—Arrive Toronto, where a stay will be made until September 3, including a visit to Niagara.
September 3—Visit Hamilton, traveling overnight to arrive at Ottawa on September 4.
September 5-7—Montreal.
September 7—Sail for England, arriving at Liverpool on September 14.

For those wishing to include a visit to points of interest in United States, alternative itineraries are being arranged.

Visit Pacific Coast

Those members of the party who have more time at their disposal and who wish to go right through Canada to the Pacific, instead of returning via Ottawa on September 4, will depart from Toronto on September 1, traveling via Port McNicol, thence by lake steamer, arriving at Fort William on the 3rd and at Winnipeg on the 4th. A stay of two days will be made at Winnipeg, the party then traveling via Calgary, arriving at Banff on the 9th. Three or four days will be spent at Banff, Lake Louise and other beauty spots in the Rockies, the party arriving at Vancouver on the 13th. Four days will be spent at Vancouver and Victoria, the return journey being started on the 17th via Jasper Park, Edmonton, Winnipeg and Ottawa to Montreal, where the party will arrive on the 26th of the month, which will allow a couple of days at the Eastern end of the trip before sailing for England on the 28th.

The total number of cattle exported from Canada in 1927 was 295,274 head, worth $13,997,909, as compared with 241,968 head, worth $13,294,470 in 1926.

Fanny Farmer Candy to be Listed Later

Application for the listing of Fanny Farmer Candy Shops, Inc., on the Toronto stock exchange have been withdrawn temporarily, but it is expected that the listing will take place in a few weeks. No explanation has been given for the temporary withdrawal.

The Financial Post has learned on excellent authority that a dividend on the common stock will be declared shortly and the facts previously reported as to earnings and prospects have been substantiated. The report for 1927 will show earnings of about $4.50 per share on the common stock, compared with $3.05 the year previously.

The stock, after going to 44, has receded somewhat and has been steady at 40. It is said that the stock is being accumulated quietly.

Modest Capital Doubles When Alley Syndicate Ventures Into Market

Amateur Enterprise Begun Last May in Fear Lives in Hope

Every $100 put into the Alley Investment Syndicate last May 2nd, was worth on January 31st exactly $216. The balance sheet of the little group of cautious speculators in Eastern Canada became available in the current week and revealed this tidy increment in market value of securities.

The syndicate started last May 2nd amid predictions of a wide-open break in the market. The self-appointed managers of the investment funds of 23 persons had the temerity, however, to think that they might be able to bring the investors a little more than bank interest in return for their faith.

Santa Claus Benefits

This first pool operated for seven months. Then there was an adjustment, more or less for the benefit of Santa Claus. Some folks drew all or part of their funds plus profits of 65 per cent. A few other folks were permitted to buy stock on the basis of 165 per cent. of value as of May 1st.

From December 1st to January 31st, the increment on this 165 per cent. was 31 per cent., or a little better than $51, so that the total increase since last May 2nd has been 116 per cent. An original payment of $100 has grown to $216.

The air still is full of predictions of disaster to speculators and a recent announcement to shareholders in the Alley Syndicate stated that the managers hoped to "conserve" the gain that had been made since December 1st.

The balance sheet of the syndicate as at January 31st is as follows:

Assets	
Cash	$ 112.99
Investments (cost)	33,501.15
	$33,614.14
Liabilities	
Bank loans	$ 9,600.00
Owing brokers	10,943.95
Owing shareholders	12,548.75
Reserve account	433.22
Profit and Loss	88.22
	$33,614.14

Equity Substantial

The approximate value of the securities as at January 31st, less reserve for selling commissions, etc., was $37,000. Against these the syndicate owed its brokers and bankers $20,543, so that the shareholders' equity was $16,457 or $3,909 in excess of the capitalization of $12,548.

Just what the future has in store for the Alley Syndicate none is prepared to say, but it is reasonable to expect some further progress, although it may not be entirely steady progress. The syndicate now owns stock in 40 or 50 Canadian enterprises and the syndicate is not interested in any enterprise in which there is a lack of faith in management or the future of the industry or in which there is suspicion of unsound financial policies. In view of this, it can be anticipated that the syndicate will benefit as the nation progresses.

The aim of the syndicate is to carry its stock on a 50-point margin. This has not been achieved as at January 31st and it is reported that there have been substantial purchases since. Although monthly payments of members total only $920, more than $4,000 worth of stocks, principally mining stocks, have been purchased.

However, there have been one or two sales at profitable figures. Ten shares of Howard Smith Paper Mills were bought at 72 and were sold at 85. Fifteen shares of Gold Dust Corp. were bought at 85 and were sold at 103. Twenty-five shares Dominion Power were bought at 40 and sold at 55½ through unlisted dealers.

Among the recent purchases have been:

25 shares Lake Shore at 23.
20 McIntyre at 26¾.
20 Teck Hughes at 8½.
25 Mond Nickel at $35.
15 Goodyear at 155.
100 Premier Mines at 2.70.
25 Building Products at 34.
25 Building Products at 39.

Buy Mond Again

The first Alley Syndicate bought Mond Nickel ordinary stock on the London Stock Exchange last July at about $12 the share and sold it six weeks later at $15 the share. The syndicate managers were of the opinion that this stock would go higher, but decided against holding in view of the difficulty of watching a stock which was not traded in Canada. It was consistent, therefore, to buy new stock when it was listed on a Canadian exchange, although the price in the meantime had risen precipitately.

Recent purchases bring the mining holdings to 50 Lake Shore, 25 McIntyre, 50 Teck Hughes, 100 Premier Mines, 25 Noranda, 10 Hollinger, 100 Central Manitoba and 60 Wright-Hargreaves. It was felt recently that the mining market, at least so far as the principal producing mines are concerned, must have about reached the bottom and that an upturn soon must take place. The question as to whether the syndicate should relinquish its holdings in mining stocks may come up later. The fluctuations in the mining market are not encouraging to the conservatively inclined. The prices paid for some of the stocks just purchased were near the prices paid for original purchases last May, although market values had been materially higher in the interim.

Look at Standard Stocks

Among the industrial stocks recently bought the syndicate was City Dairy. It has receded somewhat in market value since but the syndicate is confident in the future of this company. An additional five shares of Montreal Power also will be acquired, with the probability that investment in some others of the standard common stocks will be bought for the long hold. Less and less attention is being paid to yield on capital employed, although it will be observed that dividends received since December 1st have exceeded interest charges to date. There are few preferred stocks left on the list of holdings and there is not more than one common stock which is held because it combines a high yield with the probability of ultimate appreciation in value. In the main, the low-yielding common stocks are the stocks which attract this syndicate, because appreciation of principal is the purpose of its existence.

Duncanson, White & Co. Admit Two New Partners

Duncanson, White & Company, members of the Toronto and Montreal Stock Exchange, announce that H. H. McKee and R. B. Duggan have been admitted to partnership in their firm.

Mr. McKee was associated with the Toronto Stock Exchange firm of A. P. Burritt & Company for 26 years, and recently joined the firm of Duncanson, White & Company.

Mr. Duggan is a director of the Pittsburg Steel Products Corporation and has been associated with the legal firm of Symons, Heighington & Shaver, Toronto.

Standard Trusts Company Has Increased Earnings

Standard Trusts Co., Winnipeg, had profits of $41,757 in 1927, compared with $40,075 in 1926. This is 4.1 per cent on the paid up capital of $1,000,000 for 1927.

Company assets are up from $2,424,987 to $2,482,641, while total assets including estates, trusts and agency accounts are down from $13,232,335 to $12,676,870. The reduction of approximately $700,000 in the estates account is noted.

GOSSE PACKING OPERATING DEFICT TOTALS $205,000

Anticipated That Company Will Regain Lost Ground During 1928

Shutting down of fishing operations and the generally poor run of salmon, are reflected in the financial report of the Gosse Packing Co., for the year ended Dec. 31, 1927, during which period an operating loss of $205,640 was sustained.

During the full year, the company salmon pack was 264,858 cases, as against 447,244 cases in 1926. This in itself was sufficient reason for the passing of the preferred dividend.

Since February 1, last year, total investments in new plant, property and equipment have aggregated $850,471. Capital expenditures during the next few years therefore, should be small. Moreover, the company now has on hand large supplies of materials such as cans, boxes, labels and other inventory items which cannot be turned into cash until the 1928 pack materializes.

The balance sheet shows an increase, as compared with that of 1926, in plant, property and equipment, less depreciation, of nearly $300,00. Investment in associated company is up from $15,600 to $35,655. Current assets are down from $1,458,000 to $1,047,107, while current liabilities, including reserve for taxes, are up from $921,400 to $1,012,638, thus cutting down working capital from $536,607 to $34,465. Arrangements are said to have been made privately to provide the company with additional working capital during 1928.

The profit and loss account portrays a gloomy picture. At the end of 1926, there was a balance of $264,095. During the year dividends were paid on the preferred up to November 1, totalling $86,014, which together with provision for redemption of preferred shares amounting to $26,318, leaves a balance in the profit and loss account of $151,762.

From this, a further deduction of $170,237 and $35,403 was made for the operating loss for season 1927 after charging administration expenses and interest, respectively, leaving a deficit of $53,877.

While the above showing is far from satisfactory, it is anticipated that the company will be able to largely regain lost ground in 1928. A new agreement has been entered into between the operators in the British Columbia fishing industry, designed to regulate operations and eliminate ruinous competition, which is expected to affect considerable savings in operation costs. Provided such agreement works out satisfactorily and an average run of salmon experienced, the financial position of the company will be greatly improved.

Nearly 25,000 returned soldiers received loans from the government under the Land Settlement Act and 1,051 already have repaid in full.

Merchandisers to Study Needs of New Conditions

"Times have changed. What changes in business will be necessary to meet these new conditions?"

That will be the theme of the second annual conference of the Society for the Interchange of Merchandising Ideas, to be held at Nela Park, Cleveland, on February 27 and 28. Sales, merchandising and advertising executives from all parts of the United States and Canada will attend.

The purpose of the Cleveland conference is to study the facts revealed by the retail census of fourteen typical communities and to learn what can be done by manufacturers and producers to enable merchants to make bigger profits, and at the same time raise their standards as business men to higher levels.

Program arrangements are being completed under the direction of the executive committee of the Society, of which F. J. Nichols, president of the F. J. Nichols Company, of Dayton, Ohio, marketing and merchandising counsellors, is executive advisor. At the Cleveland sessions there will be only a few addresses, and most of the time will be spent in discussion of methods now being used by manufacturers.

The Society was organized a year ago at a conference held at the factory of The National Cash Register Company, at Dayton, Ohio. In explaining the activities of the organization, Mr. Nichols, when announcing the conference, said: "There are three primary objects of our organization; one of them is to gather information about the sources from which data of value to manufacturers and producers in aiding dealers may be found. Another is to facilitate the exchange of this data and experience among any who wish to give dealer service of any character. And, third, to meet for conferences to see what is being done, to check the value of various methods, and to study suggested solutions for the problems of distribution."

20% Sales Increase Expected of Legare

MONTREAL.—A 20 per cent. increase in the sales of P. T. Legare Company Limited, it is expected, will be shown for the year 1927; this will doubtless be reflected in increased earnings.

Holt, Renfrew & Company Limited
Announcing
An Early Presentation
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SPRING STYLES
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Smart New
British and French
Imported
MEN'S WEAR
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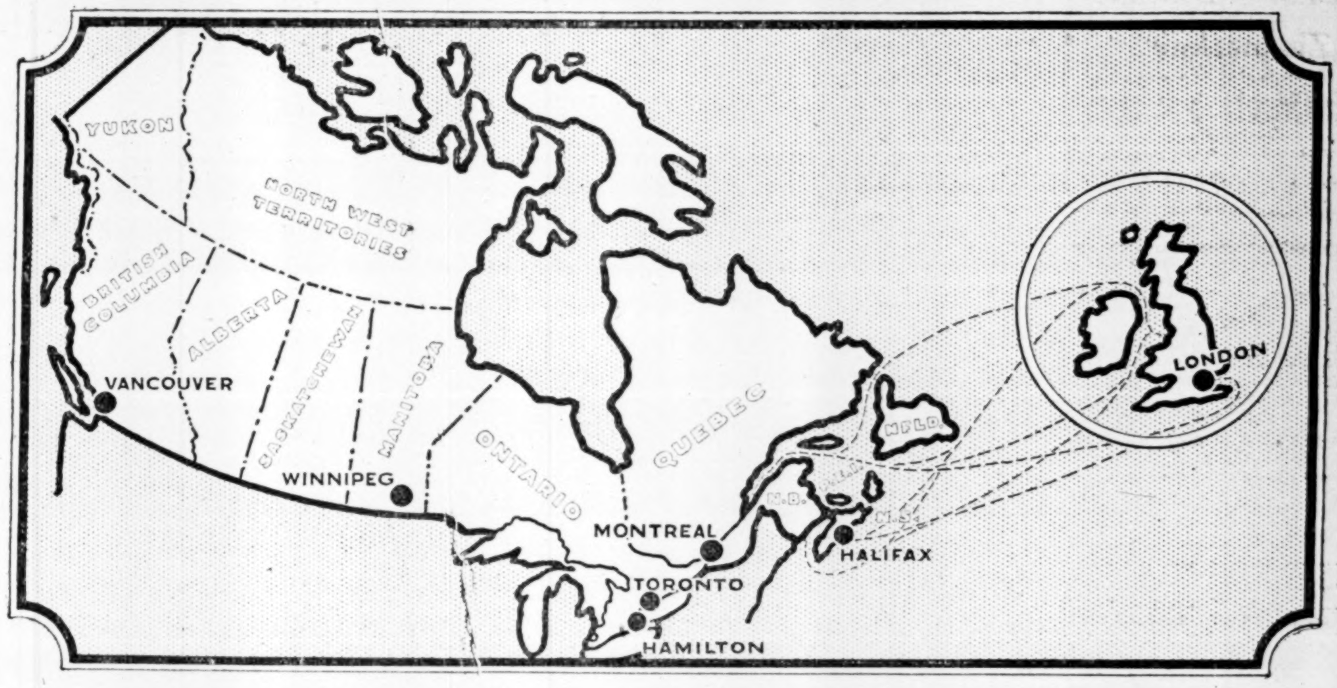

OPENING A MARITIME BRANCH AT HALIFAX

A Chain of Offices across Canada from Coast to Coast

As CONCRETE evidence of our belief in the splendid Commercial future of the Maritime Provinces we announce the opening of an office at Halifax.

It is fitting that A. McKim Limited, Canada's largest Advertising Agency should be the first of the larger agencies to thus recognize the entrance of the Maritime Provinces upon a new era of industrial development, as A. McKim Limited has always been in the van of all movements relating to trade in Canada.

The new branch will be another link in our coast to coast chain of offices equipped to bring to business men and others enlisting the aid of publicity, a service which helps to make investments in advertising economical and productive of substantial returns.

The Halifax office will be in charge of Mr. H. R. McDougal, who has had several years experience in the Head Office of the company in Montreal, developing and handling advertising accounts. The branch will have the support of all the resources of the Head Office of the company and of the branch offices at other large centres throughout Canada and in Great Britain.

During 1927 throughout the Maritimes, a greater enthusiasm was born; fresh forces towards growth and progress are now making themselves felt. Splendid strides have been made in industrial expansion and the development of natural resources. With courage and energy her business men are overcoming the difficulties of their geographical position. We look forward to a splendid future in the building of which we expect to take part and in the fruits of which we hope to share.

MONTREAL OFFICE,
A. R. Cole, Manager.
TORONTO OFFICE,
H. H. Prittie, Manager.
WINNIPEG OFFICE,
R. F. Griffiths, Manager.
HAMILTON OFFICE,
C. C. Wimperley, Manager.
VANCOUVER OFFICE,
D. E. Longmore, Manager.
HALIFAX OFFICE,
H. R. McDougal, Manager.
LONDON, ENG., OFFICE,
W. T. Brace, Manager.

A. McKIM LIMITED
General Advertising Agency
Established 1889

CHARLES T. PEARCE,
President and General Manager.

H. E. STEPHENSON,
Secretary Treasurer.

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VANCOUVER HALIFAX LONDON, ENGLAND

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Municipal
and
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(Par value $100)
Price at the market to yield
over 6%

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UNITED
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A Definite Security

Every United Bond is, in effect, a fractional part of a closed first mortgage upon one definite, legally described property.

The owner of any United Bond can see the actual land and building which secures his bond.

Not only is the selling value of such property a constant safeguard to his capital, but the trust mortgage is so drawn that deposits from the revenue from the property are made, monthly, sufficient to meet payments of interest and principal as they fall due.

Will you let us send you details of one of these issues?

UNITED BOND CO., LTD.
302 Bay Street, TORONTO
Security Building, WINDSOR

COUPON
United Bond Company, Ltd.,
Dept. 18,
302 Bay St., Toronto, or
Security Building, Windsor.
Without placing me under any obligation whatever, send me copy of your booklet, "Through the Doorway of Honesty."
Name ....
Address ....
....

News of Investment Markets

Ideas of Investors as Regards Bonds Need Re-Adjusting

Scarcely Any Government or Municipal Bond Yields Over 5%

PUBLIC UNSATISFIED

Speculators Will Have to Change Their Ideas on Value of Money

Inquiries received from its readers by The Financial Post in the past month in respect to the investment of funds, primarily for the purpose of yield and safety, have shown a uniformity of opinion as to the yields which should be received.

In nearly every instance a yield of nearly seven per cent. is desired. Bonds are the securities generally mentioned. Many of these people bought Victory or industrial bonds a number of years ago which have since been called for redemption. They have been accustomed to receiving in the neighborhood of six per cent. or better on their investment and in seeking outlets for reinvestment are looking for higher yield.

The general-run of investor has failed to realize the many changes which have taken place in the bond market during the past year. Interest rates have gradually dropped and bond prices have advanced correspondingly, with the result that there is scarcely a government or municipal bond on the market which can be secured to yield over five per cent.

Better Than Average Yield

This low yield naturally does not attract the investor dependent upon income for his living or the man seeking to build up an estate. Thus the demand for other types of bonds has become pronounced and investors are taking greater chances in order to secure a better-than-average yield on their commitments.

At the present time there are five main outlets for the investor who wants to put his money in bonds, namely, government and municipal, public utility, industrial, foreign and real estate. Where yield is a primary factor, government and municipal bonds are unattractive. Provincial issues are now selling on a basis to yield below 4.50 per cent. One or two issues brought out recently have been retailed to yield below 4.30 per cent. While offering a maximum degree of safety, they do not appeal particularly to the small investor.

Municipal bond yields have been ranging fractionally higher. The trend of prices in this class, however, has been upward. Scarcity of offerings in the past year has caused keen bidding for new issues and yields have been gradually dropping to a point where they compare with those prevailing in 1913, when money was to be had at a very low rate of interest.

Public Utility Bonds

The low coupon rate on government and municipal bonds no longer proving attractive, investors have been paying more attention to industrial and public utility bonds. During the years when government bonds were yielding close to six per cent., these groups were overlooked. Consequently many corporations then financing their operations or undertaking new expansion were paying heavy interest on their borrowings. Lately there has been a flood of re-financing at lower rates. These rates, however, have been and are higher than those for the government obligations and, naturally, have proven attractive to investors.

Demand for industrial and public utility bonds, therefore, has been such as to create a scarcity of seasoned issues, while new offerings have been quickly absorbed. The better-grade securities in these two classes are now selling around 5½ per cent. Yields of six per cent. and better can be secured on industrial and public utility bonds, but not without sacrificing some measure of safety.

The investor not content with receiving 4.50 to six per cent. on his money, must of necessity turn to real estate and foreign bonds.

The financing of buildings through the creation of a general mortgage which is in turn divided into units of $1,000, $500, and even $100, has come into vogue in the past five years. While the record of such bonds in the United States, where they have been widely distributed, is not without blemish, real estate companies in Canada have not been in operation long enough to enable one to form an opinion upon their worth.

High Yield Offered

Financing of some of these enterprises has not been altogether on a sound basis, but the high yield offered has been the means of attracting many investors. As time goes on and the securities of real estate companies become seasoned, interest charges will undoubtedly be lowered.

Foreign government securities have also come in for a lot of attention lately. Here a high yield is the principal attraction. There is an element of risk attached to these investments, but where the credit standing, political stability, and willingness of the borrower to repay, is known, foreign bonds offer an attractive outlet for Canadian funds, where a high yield is desired.

It is apparent from the foregoing that Canadian investors will have to readjust their ideas on the value of money. As a rule bonds are a safe media for investment but like everything else, there is always the element of risk. When the level of yields is around 5½ per cent. for all classes, as at present, the investor who is looking for a yield of nearly seven per cent. should realize that this is only obtainable in a bond which cannot be rated as a first-class investment.

To List Inter. Power on Montreal 'Change

From Our Own Correspondent

MONTREAL.—It is understood that application will be made shortly to list the securities of the International Power Company on the Montreal stock exchange. Since its inception the company has steadily grown in investment interests, both by the acquisition of new properties and by the further exchange of the parent company's securities for securities of its subsidiaries. Earnings from the subsidiary companies to the parent company still continue to increase. It is probable that the first preferred and common shares will both be listed. There appears every reason for believing that the company will acquire the Northern Mexico Power Company.

SAVING EXPECTED ON FEDERAL LOAN MOOTED BY ROBB

Finance Minister Hopes to Palliate Long-term Bondholders

Authority to raise by way of a loan $500,000,000 for the purpose of paying or redeeming the whole or any portion of loans or obligations of Canada and for purchasing and withdrawing from circulation unmatured securities of Canada, has been asked by the Minister of Finance and will be considered by a House Committee during the present session of the Dominion parliament.

It is recognized that in view of the low rate of interest prevailing, the Government is paying too much for money borrowed during the war years and since. Instead of paying on an average of 5 per cent. on the present loans outstanding, the Government, if it went into the open market, could obtain a loan at a lower figure and thus effect a saving to the country.

In asking Parliament to approve of this proposed loan, Hon. J. A. Robb pointed out that the government have maturing in 1933 $446,000,000 odd and in 1934 $535,000,000 odd, and between 1928 and those dates, other and smaller maturities aggregating $328,000,000. Some of these are tax-exempt.

If revenues are maintained and reasonable economy practised, it is the government's intention to retire part, through cash part and possibly all, of the maturities, up to 1933. The Minister of Finance states, "that it will be a good time, within perhaps the present year or next year, to do some refinancing and get these high rates of interest out of the way as well as the bonds that are exempt from income tax. It is not the intention of the government immediately to take advantage of the powers which we shall receive from parliament."

Those who bought the Government bonds as a long-term investment are wondering if their holdings can be called in before maturity. It should be remembered that the government has no authority to do this, but Mr. Robb hopes to be able to put a price on them which will be attractive or to provide other maturities of a longer term.

R. C. Commission Bonds

MONTREAL.—The investment house of Credit Anglo-Francais is offering $150,000, 5 per cent. bonds of the R. C. School Commission of Notre Dame Auxiliatrice of the city of St. Johns, P. Q. The bonds are dated February 1, 1928, mature serially from 1928 to 1968. The investment house also is offering $55,000, 5 per cent. serial bonds in the Roman Catholic School Corporation of Edmonton. This district has a Catholic population of 65,000 and the bonds are being offered at $100 and accrued interest.

ROBINSON CONE OFFERING TO BE 50,000 COMMON

Toronto Syndicate Will Finance Purchase of Company

A Toronto syndicate, headed by Harley, Milner and Co., will offer in the course of a week 50,000 shares of the Robinson Consolidated Cone Co.

Robinson Consolidated was recently incorporated to take over Robinson and Sons, Ltd., of Hamilton, and its subsidiary Consolidated Wafer Co., of Toronto, which is used as a distributing organization.

These companies, with plants in Hamilton and Montreal, manufacture practically all of the ice cream cones used in Canada. The industry was founded in Hamilton almost twenty years ago, and has shown an impressive growth since that time.

The company enjoys a particularly advantageous position on account of its automatic machines, which excel all other makes in simplicity of operation and produce a highly superior product under sanitary conditions at lower cost than the machines employed by competitors.

It is also in a position to take care of a considerable increase in business expected from normal growth of consumption, as well as through the introduction of other closely allied lines and an aggressive selling policy.

NEW ISSUE IS MADE BY REGENT KNITTING

From Our Own Correspondent

MONTREAL.—Public offering is made this week by a syndicate headed by Ernest Savard, Limited, of 65,000 shares no par value common stock in the Regent Knitting Mills. As announced in The Financial Post last week, this issue has been sold by a new company which has acquired the predecessor organization of the same name which owns spinning, knitting and dyeing plants at St. Jerome, a plant in Montreal, and a cotton spinning mill at Guelph, Ontario.

The proceeds of the sale of the stock will be used to acquire the assets and to place in reserve a sum of $500,000 to cover the cost of moving the Montreal plant to St. Jerome and constructing a $300,000 extension in that city. Details of the issue are as follows:

65,000 Shares Common Stock
The Regent Knitting Mills, Limited

Capitalization:	Authorized	Issued
First mortgage 6½% bonds	.....	$551,800
Preferred stock (par value $25) ..	16,000 shs.	16,000 shs.
Common stock (no par value) ..	100,000 shs.	65,000 shs.

Preferred stock bears a dividend of $1.60 per annum and is convertible up to January 1, 1933, on a basis of 4 shares preferred for two and one-half shares common. Preferred is also redeemable on 60 days' notice at $26.25 and accrued dividends, and has equal voting rights with the common.

Business—Is engaged in the business of knitting woollen products of all kinds which are sold throughout Canada and Newfoundland.

Assets—Total assets are $4,304,275, of which $1,743,148 is in liquid form. Including $614,144 for trade marks and patents, this shows an equity of $43 for each of the 65,000 shares common stock.

Earnings—After allowing for depreciation, but before deducting interest, earnings for the past three years are as follows: 1925, $142,484; 1926, $175,754; 1927, $212,486.

Offered—By Ernest Savard, Limited; Bruneau and Rainville; Geoffrion & Company; Williams, Partridge and Rapley; and Hodgson Bros. and Company, at $28 per share, February, 1928.

Crown Reserves Has Enough for Exploratory Work

Crown Reserves' annual report shows the company to have cash on hand of $128,863, receivables $2,247, supplies valued at $18,252, and investments in other companies of $12,541. Liabilities consist of $4,325, accounts receivable and $2,098,027 capital issued.

President Z. Gallagher in his report says the moneys on hand are sufficient to carry out the program for exploration work. The main shaft is now sunk to 900 feet and lateral work in all probability will begin in April to prove up lower levels, and will be advanced as rapidly as possible.

The annual general meeting will be held at Toronto February 22 and shareholders are asked to approve of a by-law for the sale of silver properties in Coleman township, the plant and equipment on this property and all the ore on the dump.

Many Mining Brokers Open Branch Offices in Toronto

Mining brokers continue to spread out. Several branch offices have been opened in Toronto by leading houses, while there is hardly a centre of any importance in Ontario that has not a broker handling mining stocks now.

Imperial Tobacco Sells Toronto Drug Store Chain

Change in ownership of the well-known chain of Toronto drug stores, Tamblyn's has been effected, and a stock offering will be undertaken shortly in order to finance the deal.

A new group headed by Mr. Tamblyn has secured control. Contrary to the general belief, this chain of stores hitherto was not owned by Mr. Tamblyn, but only managed by him. Ownership rested with the Imperial Tobacco Co.

Some years ago, Imperial Tobacco, foreseeing the need of securing outlets for their products, decided upon the establishment of a chain of drug stores in Toronto through which they hoped to market large quantities of cigarettes, tobaccos, etc. This scheme failed to materialize, activities of the stores growing more and more confined to the handling of drugs and sundries and less to advancing the sale of Imperial Tobacco products.

Operation of these drug stores in recent years naturally did not fit in with the general policy of Imperial Tobacco. Its primary purpose had long since passed out of existence, and the natural outcome is the taking over of this chain by Mr. Tamblyn and his associates.

At the present time, Tamblyn's drug stores constitute one of the largest independent chains in Canada. Their distinctive and individual appearance have made them familiar to Torontonians, who have given them a large share of their patronage. No details are available as to the annual sales volume of these stores, but it is conservatively estimated at $2,000,000 or $3,000,000.

The amount of money involved in this deal is approximately three-quarters of a million dollars.

IMPROVED NITRATE OUTLOOK HELPFUL TO CHILEAN BONDS

Restoration of Free Selling Opens Up Wide Market for Product

Much significance to Canadian holders of Chilean bonds attaches to the announcement that the improvement in the nitrate industry during the past year has dispelled to a large extent the fear that in the near future Chilean nitrate will disappear under the competition of synthetic nitrogen products.

Recent bond offerings of the Chilean Government, a considerable proportion of which were sold in this country, were largely backed by the tax which is received from the nitrate producers on exports. The position of these bonds was somewhat weakened by the generally unsatisfactory conditions which prevailed in the nitrate industry in the period following the war.

The setbacks incurred by the industry were the result of prohibitive price at which sales had been made by the Nitrate Producers' Association, which had existed for some years for the purpose of pooling production and maintaining high prices to give high cost producers an opportunity to operate profitably. Since free selling was restored by the association in April, 1927, a considerable expansion in consumption of the Chilean product has occurred. A reduction of approximately $10 a ton in the price permitted the Chilean nitrate companies to compete more successfully against synthetic nitrate and sales increased to such an extent that prices have recovered approximately $3.75 a ton from the lowest levels reached during 1927.

As a result of this improvement, the number of nitrate plants in operation increased from 25 in January, 1927, to 55 in November, while the number of workers during the same period increased from 22,800 to 49,600. Prospects for nitrate consumption this spring generally are regarded as very favorable, and judging by the large quantities already sold in consuming markets for spring delivery, a substantial increase in consumption of Chilean nitrate appears probable in nearly all markets. Nitrate exports for 1928 now are estimated at 2,700,000 tons, which also is the amount exported during 1913, the last pre-war normal year for nitrate exports.

If conditions in the future should appear to require a lowering of the present rather high nitrate export tax in order to strengthen this national industry, the government undoubtedly will take this step, thereby still further fortifying Chilean nitrate in its position in the world markets, which in turn would react to the benefit of Chilean industry and of the governmental revenues, one of whose mainstays has been the income derived from the nitrate export tax.

Tenders and By-laws

Feb. 20. Twp. of North York—$259,300 5 and 5½%, 5, 10, 15, 20 and 30-yr. debentures. H. D. Goode, clerk.

Saskatchewan Authorizations Granted by the Local Government Board
From January 21st, to February 11th, 1928

Schools.—Stoney Croft, No.1,746, $1,800.; Gilead, No. 2,142, $2,500.; Mayerling, No. 1,149, $1,000.; Mera, No. 3,154, $3,000.; Albertville, No. 3,420, $500.; Thornton, No. 4,695, $8,500.; Whitewood St. Hubert, H. T., $2,800.; Winslow, R.M., No. 319, $4,000.; Hazelwood, R. M., No. 94, $15,000.; Rolling Plains, No. 2,557, $800.; Brand, No. 4,727, $3,000.; Kea, No. 3,231, $5,000.; Granville, No. 3,587, $1,800.; Crosswoods, No. 1,902, $5,000.; Delisle Town, No. 2,471, $2,000.

Debentures Reported Sold

Sutton, S. D., No. 667, $1,000., 2 yrs., 6%, Sask. Farmers Mutual Fire Insur.; Easton Pioneer, R. T., $250., 5 yrs., 5¾%, H. M. Turner & Co., Regina; Snipe Lake, R. T., $1,150., 10 yrs., 5½%, Regina P. S. Sinking Fund; Quill Lake, R. T., $7,000., 15 yrs., 5½%, H. M. Turner & Co., Regina; Fartown, R. T., $3,550; 15 yrs., 5½%, Prince Albert Sinking Fund; Marshall, R. T., $1,150., 10 yrs., 5½% Prince Albert Sinking Fund; Montmartre Village, $1,200., 10 yrs., 6%, H. M. Turner & Co., Regina; Ft. Qu'Appelle, $1,600., 10 yrs., 6%, H. M. Turner & Co., Regina; Marharg, S. D., No. 4,152, $8,400., 10 yrs., 5¾%, H. M. Turner & Co., Regina; McDonald Hills, H. T., Co., $1,030., 10 yrs., 5½%, J. W. Gibson, Dysart; Willowa R. T. Co., $800., 7 yrs., 6%, J. Wilson, Willowa.

This Week's Bond Sales

Town of Newmarket

An issue of $44,500, Town of Newmarket, 5%, 15-instalment bonds, has been awarded to McDonagh, Somers & Co. on a bid of 101.608, which is equal to a cost basis of 4.76%. The bids were:

McDonagh, Somers & Co.	101.608
Bell, Gouinlock & Co.	101.60
Bank of Toronto	101.59
Burgess & Co.	100.51
Dyment, Anderson	100.747
Wood, Gundy & Co.	100.40
Harris, McKeen & Co.	100.062

County of Peel

Bell, Gouinlock and Co. were the successful tenderers for an issue of $81,000 5% serial bonds of the County of Peel, the high bid being 101.28. Tenders follow:

Bell, Gouinlock & Co.	101.28
Fry, Mills, Spence & Co.	101.27
McDonagh, Somers & Co.	101.127
Royal Securities Corp.	101.12
Dyment, Anderson & Co.	101.17
Wood, Gundy & Co.	101.10
Matthews & Co.	100.92
A. E. Ames & Co.	100.77
J. L. Graham & Co.	100.53

Township of Vaughan

McDonagh, Somers & Co. have been awarded an issue of $16,839, 5%, 10-instalment bonds of the Township of Vaughan, the price paid being 101.03. The bids were:

McDonagh, Somers & Co.	101.03
Fry, Mills, Spence & Co.	101.03
Dyment, Anderson & Co.	100.66
Ames & Co.	100.42
Burgess & Co.	100.30

Town of Whitby

Bell, Gouinlock & Co. were the successful tenderers for an issue of $31,500, 5%, 30-instalment bonds of the Township of Whitby. The price paid was 102.30, which is equal to a cost basis of 4.80%. The bids were:

Bell, Gouinlock & Co.	102.30
Wood, Gundy & Co.	101.90
Ames & Co.	101.80
Burgess & Co.	100.57
Harris, McKeen & Co.	100.00

City of Victoria

Branson, Browne & Co. were the successful tenders for an issue of $681,000—5% bonds of the City of Victoria, having an average maturity of 24½ years. The bonds are payable in Canada and New York. The high bid was 103.996. Tenders follow:

	Payable in Canada
Branson, Browne & Co.	103.996
Dyment, Anderson & Co.	102.27
Bell, Gouinlock & Co.	102.27
Matthews & Company	103.617
Royal Securities Corp'n.	103.617
Bank of Montreal	103.521
Hanson Brothers	103.521
Do., (payable in New York)	103.326
J. L. Graham & Company	102.627
McDonagh, Somers & Co.	102.627
Wood, Gundy & Co.	102.65
A. E. Ames & Co.	102.
Bank of Commerce	103.13
Fry, Mills, Spence & Gillispie, Hart & Co., Vancouver	102.69
Royal-Finance	100.65
Cochran, Hay & Co.	102.17
C. H. Burgess & Co.	102.07
McLeod, Young, Weir &Co.	101.31

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External Sinking Fund 5½%
Gold Bonds
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Sun Life Bldg., SHERBROOKE, Telephone 26

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Investment Securities
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Toronto
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Due June 1, 1956

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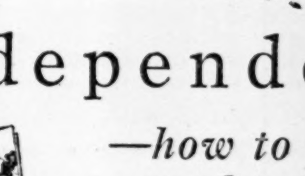

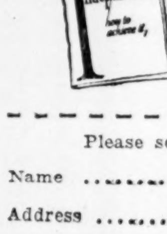

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WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCES AND DOMINION GOVERNMENTS

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Victoria	Feb.	Branson, Browne & Co.	5%	......	$681,000	103.966	
Saskatchewan Schls. & Phones	Feb.	Various	...	......	27,150	......	...
MacGillivray Twp.	Feb.	A. E. Aems & Co.	5½%	10-ins	30,873	103.35	4.80
Whitby	Feb.	Bell, Gouinlock & Co.	5%	30-ins.	31,500	102.30	4.80
Vaughan Twp.	Feb.	McDonagh, Somers & Co.	5%	10-ins.	16,839	101.03	4.79
Newmarket	Feb.	McDonagh, Somers & Co.	5%	15-ins.	44,500	101.608	4.76
Peel County	Feb.	Bell, Gouinlock & Co.	5%	10-ins.	81,000	101.28	4.74

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues Stock Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Bathurst Power	Feb.	Nesbitt, Thomson & Co., and Syndicate	Com.	"A"	400,000 shs.	$40	...
		(With bonus of one share of class "B"	stock	with each	four of class	"A"	stock)
Regent Knitting Mills	Feb.	Ernest Savard, and Syndicate	Com.		65,000 shs.	$28	...
Regal Bakeries	Feb.	A. E. Pearce & Co.	....	....	5,500 shs.	$7.50	...

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TORONTO, FEBRUARY 17, 1928

WHAT ONTARIO SEES

IF THE lower reaches of the St. Lawrence waterway are developed by means of a power project that makes provision for a canal to carry future traffic, there is a possibility that the international development, nearer to Lake Ontario will be postponed for some years. Contrary to the belief that might be engendered by much propaganda that is being put out, Canadians, as a whole, are not wildly enthusiastic for a St. Lawrence waterway. It is always difficult to define the attitude of a whole country on any question but a Canadian consensus would show, roughly, that the waterway is believed to be a good project, one to be had if we could get it at very small expenditure now, but that the probable cost is such that the country's financial position demands postponement of its development for some years yet. Two other factors serve to modify this view. One is the question of power and the other is the attitude of the United States. If the development of the international section, for power and navigation purposes, is of such paramount importance to the United States that that nation is anxious to go ahead with the development at once and is ready to carry it out on a basis that would throw the bulk of the financial burden on the United States, Canadians are ready to listen to a proposition. There is good reason to believe that such a bargain could be made, having regard for the fact that in the past Canada has spent money on waterway developments of value to both the countries.

When we discuss power we are on a phase of the St. Lawrence question that is of keener practical import. Power has a record of success in Canada; canals have not. Canada has the bulk of the power on the St. Lawrence, controlling half of the resources of the international section and all of the resources of the lower section of the river near Montreal where the amount of available power is much greater than in the international section. Regardless of the outcome of the current case, which aims to determine the relative positions of the federal and provincial governments in the control of this power, we may assume that Ontario will ultimately get about a million horsepower as its share of the international development, while Quebec will have well over two million horsepower in its own section of the river.

Ontario needs power. There is a ready and growing market for power in Quebec.

A simple development would be that which has been planned by a private group of capitalists for the Quebec section of the river. Their plans provide for building a canal to be turned over to the Dominion government and for the development of an ultimate two million horsepower. Quebec is ready to allow Ontario to utilize half of the horsepower development by this project. Under this development the power needs of Quebec and Ontario would be met without putting any capital burden upon the public treasury. Ontario would be in a position to contract for quantities of power measured by its needs from year to year and, even after all the power on this portion of the river had been utilized, it would still have in reserve the vast resources of the international section. On the other hand, if Ontario were to obtain its million horsepower from the international development, it would have for some years a supply far in excess of its needs and would have to carry the burden and when it had utilized this supply might find itself without reserve power, due to the absorption in Quebec of the amount developed near Montreal.

One must not brush over lightly the many complexities of this problem. Nevertheless it is easy to understand why there is hesitancy on the part of the provincial government of Ontario to commit itself to any specific St. Lawrence waterway scheme. Premier G. H. Ferguson and Chairman C. A. Magrath of the Hydro Commission are level-headed business men and we may assume that the simplicity of the process of buying power from a private development in the Quebec section of the river as opposed to the serious financial burdens involved in a joint development at the present time, has impressed itself upon them.

NO DEPRECIATION

UNFAVORABLE comment has been voiced in Canada and in New York on recent industrial financing in this country. The criticism is levelled at the practice of stating the earnings of the company being financed, on a basis which does not include provision for depreciation. "Net earnings, before deducting depreciation and income tax," is the subtle little phrase which is worming its way into Canadian investment practice.

This is highly misleading and the sooner it disappears, the better. Earnings are not net earnings until adequate provision has been made for depreciation, so why should they be made to masquerade as such? It is admitted that in the case of a public utility, the wide difference in depreciation and other expense practice makes "gross earnings" a better basis for comparative earnings, but in the average industrial establishment there is no excuse for using this doubtful method of boosting the earning power of a company whose securities are being floated.

Of course there may be extenuating circumstances, but where a company has been operating for years, and has regularly been writing off an annual sum for depreciation, there seems to be no valid reason for withholding this item —which must be met before anything is actually earned on the stock.

A particularly unfortunate aspect of this practice is the fact that it may so easily become cumulative. One investment house brings out an issue on this basis, and if it is well received—and it may be—there are half a dozen houses who are ready to play the same tune on their own prospectuses. Thus a false sense of values may easily be introduced into the mind of the investor, who as a rule takes readily to the glib and ready measure of earnings as "so much a share." Net earnings are net earnings, not before, but after depreciation—and all other charges.

NOT WIZARDRY AT ALL

FOR the first time, The Globe, of Toronto, begins to exhibit doubts as to the results of public ownership of light and power supply in Ontario. It takes seriously Sir Herbert Holt's offer to donate $10,000 to charity if it can not be proven that power is sold more cheaply in Montreal than in Toronto, and in the Province of Quebec than in the Province of Ontario. The challenge should be accepted and an umpire appointed to decide the issue, says the Globe. "The whole case for public ownership," the Globe admits, "falls to the ground if under similar conditions, privately owned corporations can and do provide service equally efficient at lower rates." Of course the Globe expects the inquiry to disprove Sir Herbert and to vindicate public ownership. It does not think that Montreal Light, Heat and Power, with a capitalization measured by stock exchange quotations of four times that used in Toronto, can actually supply power at lower cost than Toronto's hydro system. It says:

> With such huge capital obligations confronting him Sir Herbert Holt must be a veritable financial wizard if he can sell light, heat and power in Montreal—averaging all classes of consumers—more cheaply than they are sold in Toronto under public ownership and operation.

Sir Herbert Holt is less of a financial wizard than an exceedingly able executive. And that is why his company under-cuts public power prices in Ontario and still makes such profits that its shares sell at exceedingly high levels in the market. A few items from the respective financial statements of the Toronto and the Montreal hydro systems will serve to show why it is possible to sell power for less in Montreal and still make more money.

Montreal Power had a revenue in 1926 twice that of the Toronto system, the figures being $18,900,000 and $9,700,000 respectively. The larger revenue was due to the fact that Montreal Power's figures included some wholesale power sales as well as the gas distribution in Montreal. Operating expenses of Montreal Power were $7,100,000. Operating expenses of the Toronto system—which had half the revenue—amounted to $7,080,000 the exact figures for the two systems varying by only about $20,000. Even if we allow for the fact that the largest item in the expenses of Toronto was for power purchased, and that this item included the interest and sinking fund charges of the provincial system the disparity in expenses is marked. From an $18,000,000 revenue in Montreal the same amount went to expenses that went from a $9,000,000 revenue in Toronto. In each case the balance was available for depreciation, reserves, taxes, and interest and in the case of Montreal for dividends. It is obvious that Montreal Power could pay out large sums in the first four items and still have an immense sum available for dividends. It did in fact pay dividends of $5,000,000 odd in that year. The dividends were earned not so much from power sales as from efficient management.

Ontario is a public ownership province in power, 80 per cent. of the power supply of the province being publicly owned. Quebec is the private ownership province, where 92 per cent. of the supply is in private hands. In Quebec, the average net revenue per kilowatt hour for all stations is .56 cents. In Ontario it is .78 cents. One reason for this disparity in costs is the fact that the average capital investment per horsepower of primary power in Quebec is $159 and in Ontario $244. That starts the public ownership enterprises off with a much higher interest burden than that of the private companies.

Not only in original capitalization but in operating expenses, Quebec shows to advantage. Statistics prove the case. In Quebec, 1925, there was generated a total of 4,000,000,000 kilowatt hours. In Ontario, there was generated a total of 4,500,000,000 kilowatt hours. The difference was not great. Yet the total expense of power stations in Quebec was just short of $11,000,000 of which $3,700,000 went in to wages and salaries, while in Ontario expenses were over $25,000,000, of which $9,650,000 went to wages and salaries.

The financial wizardry turns out to be merely business management and efficiency.

One more question might be dealt with here. It is often claimed that Ontario has extended the benefits of light and power to districts that would not be served by private companies and that, while power rates are higher, it is because of this policy of making the people's power available to all. Dominion government calculations show that 72 per cent. of the total population of Quebec is served by electric energy and 63% of the population of the province of Ontario. That argument disappears like a wisp of smoke.

The Globe need not be so shocked to learn the truth nor so mystified as to the reasons. Let the Globe consider what would happen if the Province of Ontario or the City of Toronto started to publish a daily newspaper in opposition to the Globe. Let it imagine, as its editors easily can, the amount of political intrigue, and inefficiency that would be incorporated in the operation of such a newspaper. Let it consider how successful a newspaper would be in competition with a well-managed, privately owned journal and it will see why private ownership cuts power costs and still makes money. And let us also suggest to the editor of the Globe this thought: is the Globe not just as much an institution of the people, when privately owned as it would be if it were owned directly by the people? Of course it is. And equally so, our great public utility corporations are public institutions no matter who owns them.

MAY LEAD TO REFORM

CANADA wants no physical misfits and no mental cases among its immigrants. Of course, the purpose of the medical regulations of the department of immigration is to see that certain standards of physical and mental fitness are applied to all new citizens coming to the country. The case of the McConacchie baby has served to make many Canadians, who approve the principle of medical tests of new citizens, wonder if the regulations are not being generally enforced unfairly. The little Scotch infant who gave Parliament its warmest episode of the present session was undoubtedly the victim of departmental bungling. Passed by the roster doctor at home, passed by a doctor at the point of embarkation for Canada and passed by the ship's doctor it was refused admission to Canada as mentally sub-normal. Worse than that, it was the victim of further bureaucratic callousness when correspondence with Ottawa brought back stereotyped replies free from any substantial suggestion of sympathy for the distressed parents. Although the correspondence was signed by Mr. Forke, we are ready to believe that Mr. Forke was not aware of all the circumstances to the case.

May we hope that this little child shall lead the department of immigration to a less officious management of medical inspections; to the replacement of bureaucracy with humanity.

OLD AGE PENSIONS

THERE has been no rush by the provinces as a whole to pass legislation implementing the Federal Old Age Pensions scheme. British Columbia has it in operation. Yukon has passed the necessary legislation but has not yet signed any agreement with Federal Government. It will do so within a few weeks when pensions will commence to be paid. Manitoba has provided for pensions in its estimates but has not yet brought down legislation. It will do so this session and have the system in operation by summer. Saskatchewan has introduced legislation which now stands for second reading. The other provinces have not indicated any interest in the scheme.

Pensions for the aged have a high humanitarian appeal but under the existing conditions of high taxation in every part of Canada, the dollars and cents cost must be reckoned with as a factor that will sway public opinion.

What that cost would amount to if old age pensions were generally adopted was estimated by the sponsors of the legislation of a year ago, but the high figures failed to frighten them. Under the legislation, provision was made to grant a pension of $20 a month to deserving old men and women; half of the pension to be paid by the Federal government and the other half, in addition to the administrative expenses, by the provincial governments if and as these governments adopted old age pension plans. In formulating a scheme of old age pensions, Canada followed in the footsteps of Great Britain, Australia and New Zealand.

Professor H. Michell, of McMaster University, in discussing old age pensions in "Industrial Canada" brings out a point that must not be overlooked. "However admirable may be the purpose and results of any such system of relief," he says, "it is only elementary wisdom to make a very careful inquiry into the cost of such an undertaking not only at the present time but even more for the future." Professor Michell shows that if but 40 per cent of the eligible persons in Canada took advantage of the scheme the total cost to the Dominion would exceed $25,000,000 a year. And with the normal rate of increase in our population this would increase to $38,000,000 in 1951. But, the professor points out, the age limit of 70 is likely to be reduced to 65; the proportion of aged people asking for pensions is likely to increase. In time the cost is likely to exceed any present estimates.

POST-scripts

THERE is a new "Whisper of Death" at Ottawa. Insiders in Tory strategy are whispering ominously of the fate there is in store for the Grits. Mr. Bennett has something up his sleeve; or perhaps in his velvet glove for it is said to be an iron fist. When the blow will fall is yet a secret, but Conservatives say that the present government will be out of power inside of eight months. All this has a familiar ring and old hands at the political game are not writing their election speeches yet. It may be doubted, incidently, if business generally would relish the prospect of another election.

NO DOUBT, "Jerry" McGeer, K.C., whose initials are, more formally, "G. G." is still wondering whether he was being supported or "ragged" by a member of the British Columbia legislature who undertook to defend Mr. McGeer's legal bill presented to the public accounts committee.

In supporting payment of the bill that had been presented by Mr. McGeer for his services in campaigning for the British Columbia government on the freight rates question, H. F. Kergin, member for Atlin, called attention to I. Timothy 5:18.

This passage reads "Thou shalt not muzzle the ox, and the laborer is worthy of his reward."

NO MAN in Parliament is more fond of quoting from reports, papers, documents, etc., than J. S. Woodsworth, M.P. His speeches are always impressive because he quotes chapter and verse for everything he says. But after reading over a recent speech he made, we feel that all our illusions about Mr. Woodsworth have been shattered. Those convincing quotations lose much of their point. As a mining authority he quotes from one of the numerous fly-by-night tipster organs published by a questionable mining house. As an American financial authority, he quotes from a similar sheet produced by a gang of shysters across the line. True he mentions The Financial Post, which can hardly feel flattered by the company Mr. Woodsworth puts it in but in quoting the name of the editor he has it spelled wrongly. Of course, a man who cannot copy down a printed name correctly, may make an occasional mistake in his other quotations.

The volume of grain moving east and west from the Prairies to the terminal elevators is shattering all records.

Comments

Remarkable Remarks by Interesting People

Col. David Carnegie: "Germany is the most prosperous country in the world to-day."

* * *

Emil Ludwig, German historian: "The four greatest living Americans are Thomas A. Edison, Jane Addams, John D. Rockefeller and Orville Wright."

* * *

Homer S. Buckley, the American merchandizing executive: "We are fast coming to a realization that there is no economic justification for 'August fur sales' and for similar out-of-season price reductions."

* * *

Prof. Bird T. Baldwin, director of child welfare for Iowa, in Toronto address: "We could close up more than half our jails if every child in the land could be given proper training from birth to six years of age."

* * *

J. S. Woodworth, M.P.: "I look on the $1 bill and find the image and superscription is that of King George. On this $10 bill I find whom? The image and superscription of Sir Frederick Williams Taylor. I ask you all to help me to put the king's image on every bill in Canada."

As Others See Us

Why Neglect Home Heroes?

Halifax Herald: The first Canadian flying field to receive a name is located at Ottawa. It has been named "Lindbergh," and we are not surprised to find such a serious-minded paper as The Financial Post registering dignified but emphatic protest.

No one in this Dominion desires to detract one iota from the splendid exploit of this fine young airman: he has had a world of praise in this country. But surely this is carrying "hero-worship" just a little too far.

Why not the name of one of the British air pioneers, Ball, Robinson, Alcock, Brown—or coming nearer home, the name of a Canadian like Bishop or Barker?

We Canadians do curious things at times, and this is one of them.

Is it possible that we are forgetting so soon the heroism of those gallant gentlemen who flew their rickety old "buses" over the lines in the earlier days of the war—going out more than halfway to meet whatever the Fates had to send? Or those intrepid trail-blazers who spanned the Atlantic with their hit-or-miss equipment in 1919?

Let us have hero-worship, if we must, but let us remember that our own heroes led the way.

During the usually quiet immigration months of December and January the Canadian Colonization Association colonized 75 families who took up land to the extent of 22,734 acres.

"Stop Me If You've Heard This One"

Prospective Employer—How are you on spelling?

Prospective Stenographer — Well, I know how to spell the synonyms for the words I do not know how to spell.

Another Blow Struck

* * *

at Inferiority Complex

By FLOYD S. CHALMERS

TIME and time again it has been demonstrated that when Canadian brains are pitted in international competition with the best of other countries, they meet the test in superb fashion. Again this has been shown in the award of the first prize in the editorial contests of the Associated Business Papers to Herbert L. Southall, managing editor of Hardware and Metal, Toronto. Mr. Southall has been awarded $500 cash in addition to the honor of the prize. His entry was considered the finest entered in a contest "for the best article or series of articles or news reports, judged broadly on the basis of timeliness, accuracy, thoroughness, originality, clearness of expression and usefulness."

H. L. SOUTHALL,
Winner of $500 prize in international editorial contest of Associated Business Papers.

The Associated Business Papers includes all the leading business publications of the United States and Canada and in contesting for this award Mr. Southall was in competition with the finest work of highly paid specialists on the staffs of large American business papers which, because of their larger field and greater incomes, are able to specialize to a high degree.

* * *

IF CANADIANS ever had an inferiority complex they have had good reason during the past few years to shed it.

Meeting many of the finest writers of the world, Mazo de la Roche won a $10,000 prize and high honor with "Jalna" in the Atlantic Monthly contest for the best novel.

Herman Trelle and other producers have demonstrated that Canadian wheat is the best in the world.

The designers of the Quebec bridge gave the world its greatest bridge, scientifically designed and proof almost that nothing is impossible in engineering.

Canadian bacon is the best bacon on the London market, which draws supplies from the entire world.

Canadians have the world's greatest annual fair.

Canada produced the greatest aviator of the world war and now leads the world in the application of the airplane to mapping and forest protection.

Canada produced Dr. Banting and Prof. McLennan, among the world's leading scientists.

No other group of nine million people anywhere else in the world have produced so many leaders in their respective fields.

* * *

CANADA is a small country with a large area to manage. This is the root of all our economic problems but does it not at the same time provide the clue to our striking individual successes? The American the Britisher or the citizen of any other large nation, is able to specialize on one task. Life is less complex for him. His own groove is small and he can make money and fame for himself within that one groove.

In Canada, every man has to do a more diversified kind of work. To look after 3,000,000 odd square miles of land means that each of our nine million people has to work much harder than if his appointed task were of lesser degree. The average Canadian gets more done in any given space of time than, say, the hustling, bustling American, because he must do it to keep the nation moving ahead. Before a man becomes a specialist in Canada he has had to be a hard working general practitioner. It makes for a well rounded mental and cultural development of the people. It provides the qualities that are essential to leadership.

* * *

MR. SOUTHALL'S award demonstrates that the smaller editorial staffs of Canadian papers, because of the very necessity they are under of being general practitioners, with broad general knowledge of the country and the fields they serve, are able to turn out as fine and as useful work as is being done on the continent, in fact in the world. Mr. Southall's paper, Hardware and Metal, is a power in the hardware trade to an extent that no other hardware paper in the world has achieved within its own field. The same is true of many other Canadian papers. Many of our daily papers rank with the best produced in any cities of similar size elsewhere in the world. The Financial Post has a circulation within the confines of Canada of a size that has been approached by few business or investment papers even in the United States where the field is fifteen times as large.

When Canadians can win blue ribbons in any sort of contest, except perhaps marathon dancing, long-distance coffee drinking and hog calling, is it not time for the citizens of the country to shed whatever vestiges may remain of that unfortunate inferiority complex once and for all?

Insurance as a Career

By LEWIS LAING
Some notes of an address before The Insurance Institute of Montreal

I suppose in every walk of life, there comes a time in the life of every young man when he has to determine for himself what his vocation in life is going to be, and I suggest to you that generally speaking he has the vaguest kind of idea on the subject, it more often than not is the grasping of an opportunity that presents itself in the hope that he may like it and the hope that it may work out satisfactorily.

Something Helpful

Now if this is so, and I think it is, many of us drifted into insurance rather than selected it as a profession. But having got the young man into the insurance business let me endeavour to say something that will be helpful to him once he is there. I think there are few more complicated machines than a large insurance office. I have suggested to you that insurance in one or other of its aspects touches life at every point, and the more we know of insurance the more we are amazed at its ramifications.

There comes a time in the life of every thoughtful young man who has entered the insurance business, when he sits down and begins to wonder what the rewards are likely to be in the business that he has chosen for his life's work, and that is a very laudable thing for a young man to do, to endeavour to visualize in advance what the advantages are so far as he personally is concerned in the insurance business.

Educative Urge

One of the great advantages to a thoughtful young man entering into the profession of insurance is the educative urge that he receives in his everyday duties. He might not know, and probably does not know very much about the fundamental principles underlying the great institution in which he is engaged, but if he is thoughtful he sees things that he does not understand and the multiplicity of these things urges him in educational directions.

The insurance life is not an easy life. If you want to know really the fundamentals, if you want to understand the insurance business as we all wish to understand it, you have definite opportunities to study almost every day in life, but the result you hope to attain can only be obtained by diligent application and study.

The young man entering into an insurance office sees things that he does not understand, and if he cultivates the habit of observation, and not only sees but endeavors to ferret out, so that he himself may understand, and if that investigation be complete, if it be intelligent, his reasoning powers begin to operate and his outlook becomes strengthened and broadened, and what he cannot understand inside he endeavors to obtain information regarding outside.

If I may be allowed to sermonize for a moment I think one of the greatest evils of today is loose thinking. We are so prone to jump at conclusions, and we make statements without much reflection, we determine without reason and we discuss without full knowledge of the facts. We approach subjects only too often without any pre-study and airily dismiss them or deal with them by a process of what sometimes we call executive ability but which in reality is that most superficial of all things—snap judgment.

What I would wish to do is arouse in you, young men, a desire not to be content with superficial knowledge of some of the things that we deal with day by day, but endeavor to think them out, and having thought them out, having thoroughly understood our subject then have the courage of your convictions and go ahead.

Samuel Rea Talks Fuel

"Some of the most notable achievements of engineering in the next fifty years, perhaps overshadowing all others in importance, will have to do with the conservation of our natural resources, particularly in the direction of eliminating waste in the use of fuels and in recovering and utilizing more completely the by-products of distillation and combustion," according to Samuel Rea, retired president of the Pennsylvania Railroad.

Fifty years, looking forward, may not seem a very long time, Mr. Rea said, but the rate of progress of the world to-day, and the development of science and its application to practical uses, are so swift, as compared with earlier periods of history, that he believes the next fifty years may well bring about changes as revolutionary as those which have occurred in the half century just closed.

"We are all familiar with the predictions and estimates that our supplies of oil and anthracite coal are doomed to exhaustion in a few decades," he declared. "If this is so, where will we stand in 1977 for these fuels? We believe that we have bituminous coal in sight for several centuries, but we need more than this and every effort of the country's best engineering minds is needed to restrict the waste of our valuable heat and power producing commodities.

Central Plants Developed

"Some time in the future, perhaps by 1977, if not earlier, we may conceive that all small and inefficient plants will be closed down and heat and power obtained from central plants where production costs are at a minimum. Certainly this is both possible and practicable in cities and even in closely settled suburban or country districts.

"Fuels are destined to become so valuable to the human race as a whole that they will be placed only in the hands of those who can to the greatest advantage control their combustion. Scarcely anything is more archaic in our civilization, or more wasteful in the eyes of the economist, than our individual house heating systems, in which all but a small fraction of the potential heat of the fuel is dissipated upon the outside atmosphere.

"The gas business, as a public utility, will supply practically all heat distribution in urban localities. As capital cheapens, it will become posible to construct distributing systems furnishing cheaply produced gas for house heating purposes as well as cooking. Industries in many cases will similarly be supplied with gas for fuel instead of burning coal in individual furnaces under boilers. We may then realize the smokeless city, and added sunlight will greatly improve the health of urban dwellers.

Gas and Electricity

"Hand in hand with the extension of gas will, of course, go the increased utilization of electricity and this will be of particular importance in the rural districts where the introduction of gas will necessarily be at a slower rate than in settled communities. The harnessing of our rivers by 1977 will doubtless have progressed a considerable way toward utilization of their potential horsepower. We may also expect to see, in highly developed form, vast power distributing plants situated near our coal mines, effecting a tremendous saving in demands upon our transportation resources, which will be required for other purposes. Interconnection of power lines to distribute loads and diversify sources of supply has almost unlimited possibilities, and the more nearly we can balance the load the more efficient will be the production and distribution of electric power.

"Where coal is directly used for industrial fuel, we may expect to see it applied chiefly, if not entirely, in pulverized form, sprayed pneumatically into the fire box. Increasing quantities, however, will be subjected to the process of gas production, so that the products of destructive distillation may be recovered for laboratory purposes and make possible the further extension of our synthetic chemistry. By 1977 the reactionary properties of practically all the elements will be known and the chemist will be able to produce artificially, at will, a vastly increased number of substances useful in every art."

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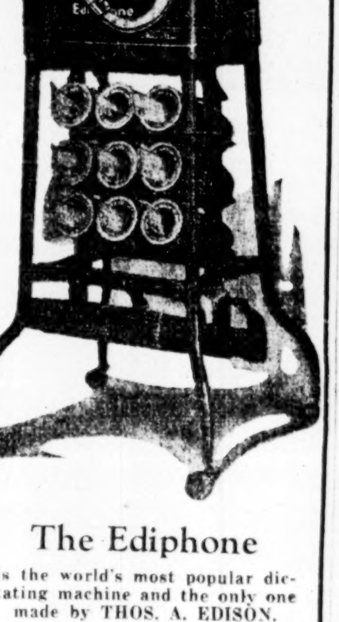

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733

Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post

WEEKLY REVIEW OF CONDITIONS

Current Business Reveals no Change in Situation
Outlook for Next Four Months Uncertain at Present
Hopeful Sign Seen in Increased Iron and Steel Output
Large Volume of Building Aids Many Allied Lines
Wholesale Price Movement Limited During January

ABSENCE of new developments in the business situation, together with a paucity of figures on major industries during the past few weeks, makes it difficult to form an opinion of current conditions. While there is nothing to warrant the assumption that trade generally is on the upgrade, appearances of a decline are also lacking.

This temporary lull is not uncommon, yet differs from others in that basic conditions justify considerable activity. Employment during the past eighteen months has been on a high level. The usual seasonal decline at the beginning of January was not as pronounced as in former years. Manufacturing in practically all industries appears to be well sustained. Money is available in abundance; the spending power of the people is above average, and the consumption of goods near record levels.

Despite these encouraging signs, the expected upturn in business has not materialized. Mayhap business is "tired," or that being accustomed to seeing abnormal activity in all lines, the present rate of production appears to be unnecessarily slow.

Too Early for Change

It is as yet too early in the year to reach well founded conclusions as to the prospects for most of the fundamental industries. Records of building construction and railway traffic show improvement, but not of a very emphatic sort. Industrial production in general appears to be increasing under the stimulus of seasonal demand.

It is difficult to ascertain or forecast with any degree of accuracy, just what the next three or four months will bring forth in the way of more business. The general consensus of opinion appears to be that no major recession will take place, but, on the other hand, business leaders and others are not now speaking with their earlier optimistic confidence.

Security Prices Affected

The principal reason for this can probably be found in the fact that the general trend of security prices has been uncertain since the beginning of the year. Some notable advances have been recorded in individual cases. Investment in mines, however, has not been so fruitful. Mining stock values have declined from 25 to 50 per cent. or more since last December and heavy losses have had to be absorbed by the public. The situation is not nearly so bad as in the United States, where declines in value and increases in brokers' loans have been more pronounced.

Steel Output Hopeful

One of the most favorable and significant signs seen in some months, was the sudden reversal of conditions in December in the iron and steel industry. During all of 1926 and the greater part of 1927, this industry failed to reflect the generally healthy state of affairs in other lines of industry. Yet during December when production was only holding its own, the output of iron and steel advanced to a point far beyond what would ordinarily be expected.

In other years production of iron and steel has been taken as a reliable index of manufacturing activity. Its value as such has materially declined. It is possible that the sudden increase in December presages increased activity in the automobile and other iron and steel using industries, as well as an improved demand from the railways and other large buyers.

Automobile production in December was the lowest recorded in several years. As this industry is one of the principal users of iron and steel, December iron and steel output would indicate that many manufacturers are increasing their operations in order to meet spring deliveries. Introduction of new models has not only given stability to the market, but increased demand for motor cars. With increasing activity in the automobile industry, improvement should take place in allied lines.

More Building Activity

A great factor in stabilizing employment in recent months and providing business for associated industries, is the large amount of construction undertaken throughout the Dominion. Contracts awarded in January aggregated in value more than in the same month of 1926 or indeed for that of any recent year. The open winter in Toronto and other cities provided a good deal of work that would otherwise have been undertaken in the early spring.

For the whole of last year the value of building permits issued was substantially higher than in any other year since the record was commenced in 1920. The aggregate for the year, based on revised statements from 63 cities, was $184,613,742, compared with $156,386,607 in 1926 and $125,029,3[illegible]7 in 1925.

The pronounced increase in building was also reflected in the index number of employment—based upon returns from over 400 contractors employing a mean payroll of 35,602 persons—the index averaged 173.7 as compared with 157.4 in 1926. It also had a beneficial effect upon conditions in industries allied to construction, notably upon clay, glass and stone and structural iron and steel works, in which employment was at a considerably higher level than in previous years.

Wholesale Prices Lower

This excellent showing was largely aided by declining building values. During the past year wholesale prices of building permits stood at 147.7 compared with 149.2 in 1926, when prices were lower than in any of the six preceding years.

During the past month, wholesale prices continued to decline. The Bureau of Statistics index number moved down to 151.2 Compared with the same month last year there is an increase of .3. No pronounced change has taken place in any particular group and prospects of steady material prices should prove beneficial to manufacturers this year.

Business Conditions in United States

Business in the United States during the week ended February 4, as indicated by figures covering cheque payments, was better than in the preceding week, but lower than in the corresponding week of 1927, according to the weekly statement of the Department of Commerce. The general level of wholesale prices averaged higher than in the preceding week, and for the first time in more than a year was higher than in the corresponding week a year earlier. Prices for cotton continued to weaken, but were still well above those which prevailed a year ago. Iron and steel prices showed no change from the preceding week, but were lower than in the corresponding week of 1927. Copper prices, although showing no material change from the previous week, were higher than a year ago.

Loans and discounts of Federal reserve member banks were higher than in either the previous week or the same week of last year. The Federal reserve ratio averaged lower than in either prior period. Loans to brokers and dealers by Federal reserve member banks in New York City again expanded. Prices of stocks averaged lower than in the previous week, but were higher than a year ago. Bond prices made an increase over the previous week, averaging higher also than in the corresponding week of last year. Interest rates on call money averaged higher than in either prior period, while time-money rates, though showing no change from the previous week, were lower than a year ago. Business failures were less numerous than in the preceding week, showing practically no change from a year ago.

Output of bituminous coal during the week ended January 28 was greater than in the preceding week, but lower than a year ago. Lumber production during the same week showed increases over both prior periods.

Weekly Business Indicators
Relative Numbers, Average 1923-25=100

	Jan. 28 1928	Jan. 29 1927
Bituminous-coal production	103.9	138.9
Lumber production	103.2	82.7
Beehive-coke production	35.5	77.6
Petroleum production (daily av.)	113.1	113.8
Freight-car loadings	....	99.2
Bldg. con., 37 states (daily av.)	108.0	60.5
Wheat receipts	74.8	65.1
Cotton receipts	66.9	140.8
Cattle receipts	80.4	87.7
Hog receipts	130.4	97.7
Price No. 2 wheat	100.0	98.6
Price cotton middling	67.6	50.4
Price iron and steel composite	85.6	90.3
Copper, electrolytic, price	100.7	93.5
Fisher's price index	93.1	93.3
Bank loans and discounts, total	121.6	113.6
Debits to individual accounts	*118.5	111.1
Interest rates, call money	90.9	97.0
Business failures	158.7	146.7
Stock prices	186.5	141.0
Bond prices	110.9	108.0
Interest rates, time money	100.0	102.9
Federal reserve ratio	96.8	102.7

* Revised.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest 1927	Latest 1926	To Date 1927	To Date 1926
Production—				
Pig iron, tons (Dec.)	63,197	53,971	109,697	757,317
Steel, tons (Dec.)	96,248	58,493	907,638	776,888
Newsprint, cwts. (Dec.)	181,600	163,177	2,086,949	......
Automobiles (Dec.)	3,435	7,725	179,426	205,092
Automobiles (Dec)	3,435	7,725	179,383	205,116
Boots and shoes, pair (Dec.)	1,411,517	1,474,439	17,731,514	17,563,784
Flour, bbls. (Nov.)	2,120,116	..(3 mos.)	6,810,910	6,998,727
Construction—				
Building permits (Dec.)	$11,744,094	$11,508,818	$184,613,742	$156,386,607
Contracts awarded (Jan., 1928)				$20,480,000
Labor—Employment index, Jan., 1928—			99.5	94.8
Transportation—				
Car loadings (to Feb. 4, 1928)	11,427	7,637	59,890	45,718
C.P.R. gross (Dec.)	$18,767,251	$17,791,930	$201,145,751	$198,025,591
C.P.R. (net) (Dec.)	1,673,166	1,616,182	39,515,571	44,945,126
C.N.R. gross (Nov.)	$23,699,965	$23,501,587	$243,408,396	$240,213,168
C.N.R. net (Nov.)	6,777,333	7,191,257	40,118,930	44,334,776
Elec. Power—Generated—				
Thousand kil. hours	1,082,126	1,015,119	11,026,118	10,129,503
Population—				
Emigration (Nov.)	7,055	.....	(5 mos.)	39,549
Immigration (Dec.)	4,566	5,415	*128,928	*114,035
Trade (Dec.)—				
Imports	$83,262,695	$81,774,935	$1,087,117,930	$1,008,341,911
Exports	130,277,157	138,421,475	1,218,336,773	1,268,581,976
Imports of key products (Dec.)—				
Rubber, lbs.	5,156,384	..(12 mos.)	59,145,951	45,366,960
Cotton, lbs.	19,198,230	..(12 mos.)	136,232,068	134,690,811
Sugar, cwt.	247,007	..(12 mos.)	9,539,653	11,299,111
Petroleum, gals.	67,625,527	..(12 mos.)	804,133,751	667,627,576
Coke, tons	58,863	..(12 mos.)	772,235	988,034
Exports of key products (Dec.)—				
Newsprint, cwt.	3,384,043	..(12 mos.)	37,637,308	34,639,718
Automobiles, pass. (No.)	1,857	..(12 mos.)	39,900	53,628
Wheat, bush.	44,808,700	..(12 mos.)	255,062,225	250,116,414
Wheat Flour, bbls.	956,762	..(12 mos.)	9,262,936	10,456,916
Finance—				
Failures, number	......	......	1,827	1,773
Failures, liabilities	......	......	$30,554,976	$32,291,125
Bank Debits (Dec.)	$4,274,077,902	$2,843,153,843	$36,093,503,098	$30,358,034,018
Bond Sales (Dec.)	$16,711,620	$13,026,009	$617,114,900	$573,229,879
Stock prices index (Jan. 7, '28)	....	....	597.3	229.3
Insurance sales (Dec.)	$48,899,000	$46,777,000	$502,438,000	$471,040,000
Wholesale prices (1913-100)—				
General Index, Jan. 1928	....	....	151.2	150.9
Iron	....	....	141.7	145.9
Cotton	....	....	158.1	112.5
Grains	....	....	162.4	153.4
Cattle	....	....	151.4	164.5
Rubber	....	....	63.8	60.8

*Nine months.

Shipments of Grain Via Vancouver Port Increase Steadily

C. P. R. Estimates That by End of March 65,000,000 Bushels Will Have Been Shipped to This Port

From Our Own Correspondent

MONTREAL.—The trend of increasing shipments of Canadian grain through the Port of Vancouver continues. Again this year, since the Western crop began to be harvested, the exports of grain through Vancouver have increased. The increasing importance of this Westbound grain movement is forcibly brought out by estimates given out by the Canadian Pacific Railway who indicate that by the end of March 65,000,000 bushels will have been shipped to Vancouver.

From August 1 last until the end of January, some 40,000,000 bushels had been received or were en route to Vancouver. Of this figure, the Canadian Pacific Railway handled about 28,000,000 bushels. That railway during this period has handled in all over 206,000,000 bushels of grain on its Eastern and Western lines.

The Canadian Pacific first began to haul grain to the Pacific coast in 1922. The figures for that year did not indicate how great a grain port Vancouver would become within five years. In the ensuing year, though, exports jumped into the 50,000,000 bushel class. From August 1 last up to January 21 of this year, a total of 32,833,578 bushels had been shipped by boat from the port. Of this, 28,756,980 bushels have gone to the United Kingdom; of the difference between these two figures, practically all of the 4,000,000 bushels went to the Orient.

Extensive Work For Railways

Preparations each year for the handling of the huge grain crops of Western Canada, require extensive work on the part of the railways. The very extensive and expensive facilities remain idle, comparatively speaking, for about two-thirds of the year, and the money invested in these facilities and extra rolling stock earns no returns during the period. The building of the Transcona Yards at Winnipeg, with over 100 miles of track, and a capacity for 12,000 cars, one of the most up-to-date yards on the Continent, was necessary to handle the Canadian Pacific's grain traffic, and is used for handling revenue traffic only about two-thirds of the year. During the balance of the year they are used for the storing of empty box cars until required again for the next year's grain rush.

During the time the cars and locomotives are lying idle they are inspected by the mechanical department and put into first class shape during the off season, so that when the rush commences they are ready for immediate use. Weeks before the main movement begins, cars and locomotives held in yards, or shops are ordered out and distributed through the grain areas. The locomotives are allotted to various divisions, box cars and locomotives are also transferred for the season from eastern to western lines of the company. This year in the neighborhood of 70 of the largest engines on western lines were transferred west, while over 10,000 box cars augmented the number on western lines at the opening of the rush season. Locomotives are gradually withdrawn from the grain traffic, those from the east returned, and those not required for handling current traffic are tied up until the following year. This condition also applies to the box cars borrowed and not required throughout the off grain season.

Two 10,000 Freighters

The C.P.R.'s two new 10,000 ton freight boats have sailed on their maiden voyages. Shippers have shown their approval of the new craft by seeing that the Beaverburn and the Beaverford—the first two ships to be launched—sailed on their eastbound voyages loaded to capacity.

Altogether there will be five boats of this class — the Beaverburn, Beaverdale, Beaverhill, Beaverford and Beaverbrae. They will run on strict schedules with definite arrival dates and will operate between Montreal and London, Southampton and in many cases Antwerp and Hamburg. In winter time the Canadian terminus will be Saint John, N.B. According to present arrangements all five ships will be in active operation by the end of April.

Empire Marketing Board Lays Plans for Toronto "Ex"

The Empire Marketing Board exhibit at the Toronto Exhibition in the autumn will be housed in a separate pavilion built in the form of a "T," and covering 20,000 square feet. This building has been placed at the disposal of the Empire Marketing Board by the Canadian government.

The leg of the "T" of the pavilion will take the form of an Empire Shopping Street filled with stands containing exhibits of food and raw produce from the United Kingdom and the other dominions and colonies. At the top of the leg will be the Hall of Empire, a comfortable lounge adorned with knights in armour and other antiques representative of stages in British history.

In the top galleries branching off from this Hall, will be staged on the left a special exhibit of the Ministry of Agriculture of models of the pedigree breeding stock of Great Britain, cattle, thorough-bred horses, pigs and sheep. Opposite this exhibit, in the same gallery, will be the section devoted to research in agriculture. For instance, there will be shown the most suitable type of apple for different climes, showing the best seeding, grafting, soils and other improvements, the treatment of the trees in growth, working up to the production of the perfect apple, under perfect conditions as far as nature allows and put on the Empire markets with perfect packing and transport.

The opposite gallery will contain the model of a London street during an Empire Shopping week, and over against it specimens and examples of the various forms of publicity used by the Empire Marketing Board in its work in the United Kingdom.

The favorable balance of tourist traffic to Canada in 1926, after deducting the expenditures of Canadians in other countries, is placed at $100,420,000.

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	End of 1927	Increase for past year
Total Assets	$42,013,000	$2,455,000
Huron & Erie Trustee Debentures issued in Canada	21,776,000	1,844,000
Savings Deposits	9,851,000	1,204,000
Capital and Reserve Fund	7,500,000	150,000

(Surplus security for depositors and debenture owners)

Savings depositors and owners of Huron & Erie debentures have first claim upon every dollar of our assets. And these assets are greater by over $7,500,000 than the total of deposits and debenture investments. The Huron & Erie is government chartered and inspected. Its books, accounts and securities are independently audited by chartered accountants appointed each year by the shareholders at their annual general meeting.

4,470 new savings accounts—680 of which were "either or survivor" joint accounts—were opened during the year. Over 5,000 Huron & Erie trustee debentures were issued. And the amount invested by Canadians in our Debenture department during 1927 averaged more than $21,500 for every working day of the year.

Your deposit account and investment transactions are cordially invited by the officers of this dependable institution—guardian of savings for 64 years.

The Huron & Erie
MORTGAGE CORPORATION
London (four) Toronto Hamilton Windsor St. Thomas
Chatham Winnipeg Edmonton Regina Victoria
T. G. Meredith, K.C., Chairman of the Board
Hume Cronyn, President
M. Aylsworth, General Manager

On duty for 64 years

NEW ISSUE

65,000 Shares of Common Stock
(No Par Value)

The Regent Knitting Mills
Limited

TRANSFER AGENT: Royal Trust Company.
REGISTRAR: Montreal Trust Company.

Application will be made in due course to list these shares on the Montreal Curb Market.

The following is a summary of a letter written us by the President of the Company, Mr. Chas. G. deTonnancour.

CAPITALIZATION
(After the present financing is completed)

	Authorized	Issued
First Mortgage Bonds, 6½%, 1935		$551,800
Preferred Stock (Par Value $25)	16,000 shares	16,000 shares*
Common Stock (No Par Value)	100,000 shares	65,000 shares

*The Preferred Stock bears a dividend of $1.60 per annum, and carries a conversion clause that may be exercised at any time up to January 1st, 1933, on a basis of 4 shares of Preferred Stock for 2½ shares of Common Stock. Redeemable, after this date, on sixty days' notice, at $26.25, and accrued dividends. Has equal voting rights with common.

THE COMPANY

The Regent Knitting Mills, Limited, incorporated under the laws of the Province of Quebec, has acquired as a going concern the "Regent Knitting Mills, Limited." The Company thus possesses spinning, knitting and dyeing plants at St. Jerome, County of Terrebonne, and an establishment in the Vineberg Building, corner of St. Lawrence Boulevard and Duluth Street, Montreal. It possesses also a cotton spinning mill at Guelph, Ont.

PURPOSE OF ISSUE

The proceeds of the sale of these 65,000 shares of Common Stock will cover the cost of purchase of the "Regent Knitting Mills, Limited," as a going concern.

In addition, a sum of $500,000 will be placed in reserve to cover the cost of moving the plant from Montreal to St. Jerome, to pay for the construction of a $300,000 extension in that city, and to provide additional working capital.

EQUITY

As on December 31st, 1927, and certified by Messrs. L. E. Potvin & Cie., after the present financing is completed, the equity of the 65,000 shares of Common Stock (no par value) would be over $44 per share, or about $34 per share if the trade marks and patents valuation is omitted from the Assets.

EARNINGS

For the past three years the earnings of "Regent Knitting Mills, Limited," before bond interest, and after depreciation, were as follows:

1925 (To Dec. 31st)	$142,484.00
1926 (To Dec. 31st)	175,774.00
1927 (To Dec. 31st)	212,486.00

After taking into account the reduction in administration costs resulting from the removal of the Montreal plant to St. Jerome, and economies in wages and salaries effected by this removal, and other advantages, it is estimated that the net earnings available for the Preferred and Common Stock in 1928 should be about $230,000. After the payment of $25,600 as dividend on Preferred Stock, the balance available for the No Par Value Common Stock should be more than $3 per share.

Profits should increase appreciably after completion of the removal to St. Jerome, when the economies in administration costs begin to bear fruit. This increase should bring net available earnings to about $4.50 per share in 1929.

ADMINISTRATION

Those interested in the old company will remain associated with "The Regent Knitting Mills, Limited," and will retain all their interests. The Company will thus benefit by the experience of Mr. Chas. G. deTonnancour, Mr. J. F. Lemieux, and Mr. L. Marcoux, who established the Company originally.

VALUATION

Appraisal of buildings, plants, machinery, equipment and real estate, has been made by the Appraisal Corporation of Canada.

We offer these shares for delivery when, as and if issued and received by us, and subject to approval by counsel.

Price: $28 per Share

Ernest Savard, Limitee
Williams, Partridge & Rapley, Ltd.
Bruneau & Rainville, Limitee
Geoffrion & Co.
Hodgson Bros. & Co. Ltd.

We do not guarantee the statements presented above, but they have been procured from sources which we believe to be reliable and we have acted on them in making this purchase.

Pulp & Paper

NEWSPRINT MILLS START YEAR WELL; NEW HIGH RECORD

Mill Stocks on Hand Double Those in January, 1927

U.S. IS RESPONSIBLE

Ration in States Decreased from 88% in January, 1927, to 80% Last Month

From Our Own Correspondent

MONTREAL.—The year 1928 began auspiciously with Canadian newsprint mills running at 88 per cent. of their capacity for the month, with an actual production of 186,721 tons as against 161,724 tons in January, 1927. This production figure makes a new high record for the month of January, and while Canadian production has been going up, the American production has been virtually at a standstill and is also lower than for January a year ago.

The next important item in the statistics is the fact that mill stocks on hand at the end of January in both the U.S. and Canadian mills reached a new high figure of 63,636 tons which is practically double the amount on hand in January, 1927. Fortunately this increase in mill stocks does not apply to Canadian newsprint companies as the figures for Canada show an actual decrease for the month of a few hundred tons. The increase, therefore, is directly attributable to the mill stocks on hand in United States mills which for the month of January amounted to 25,905 tons as against 20,877 tons at the end of December.

It is significant that the amount of newsprint on hand on this continent is still on the increase rather than the decrease, and although there seems a prospect of a slight improvement in the Canadian situation, yet mill stocks still continue to grow.

For the year 1926 the mill stocks in the United States amounted to 12,000 tons, whereas for January, 1928, the amount as already stated is 26,000 tons. Similarly for Canada, in 1926 mill stocks on hand averaged 14,000 tons per month, whereas for January, the amount on hand was 37,700 tons.

The total newsprint production on the continent for the month of January amounted to 325,353 tons, which represents a 3 per cent. increase over January, 1927. This increase was entirely due to the increased Canadian production which amounted to 15 per cent. more than in January, 1927, while at the same time United States production decreased 12 per cent. Another interesting fact is that whereas the Canadian mills were operating during January, 1928, at practically the same percentage of rating capacity as they were in 1927, the operation ratio of the United States mills decreased from 88 per cent. in Jan., 1927, to 80 per cent. in the past month. The following table shows production figures of the Canadian and the United States mills during the past few months and also shows the total production on this continent.

Newsprint Production, 1927-28 (tons)

Month	Canadian	U.S.A.	Total
January, 1928	186,721	119,525	325,353
December, 1927 ...	181,600	119,312	319,756
November, 1927 ...	190,293	117,222	326,373
October, 1927	191,171	114,675	323,970
September, 1927 ..	178,815	114,735	311,568
August, 1927	180,175	127,129	327,805
July, 1927	162,564	118,929	299,105
June, 1927	170,590	125,284	313,767
May, 1927	171,819	127,398	316,628
April, 1927	166,460	130,236	313,122
March, 1927	174,094	133,731	328,369
February, 1927 ...	150,773	121,318	287,465
January, 1927 ...	161,724	135,755	316,097

Wawanesa Mutual Has $134,000,000 in Force

Wawanesa Mutual Insurance Company reports the most successful year in its history. The annual report shows business in force of $134,534,263, a gain during the year of nearly nine millions. Assessments and cash premiums received amounted to $555,361. Interest and rent, $35,774. Losses were $203,907, or only 15.15 per hundred dollars of insurance carried. The average loss for the past three years was only 17.21 per hundred dollars.

Management expenses were $178,783. Government and railway bonds were purchased during the year, bringing bond holdings up to over $850,000, and mortgages over $45,000. Total cash assets, including premium notes, amount to $1,131,988, liabilities, $162,345, leaving surplus cash assets over all liabilities of $969,643, and total assets of $2,486,247. This showing has been done on an assessment levy of only 20 per cent. of the premium notes. Bonds valued at over $500,000 are in hands of provincial governments. Cash reserve is now over $1,100,000.

Four establishments, two in Ontario and two in Quebec, engaged in the production of cocoa and chocolate in Canada in 1926.

New Directorate of Canada Power

From Our Own Correspondent

MONTREAL. — The newly announced board of directors of the Canada Power & Paper Company has been made up from the managements of both St. Maurice Valley and Laurentide. Sir Herbert S. Holt heads the company as chairman of the board and is followed by George Chachoon, Jr., as president. George M. McKee is vice-president and managing director; the remainder of the board is as follows: Sir Vincent Meredith, C. B. McNaught, Sir Lomer Gouin, Arthur Cross, J. W. McConnell, G. H. Montgomery, F. A. Sabbaton, W. E. Wilder, Edwin Hanson and J. H. Gundy.

The new directorate represents a combination of the two strongest banking groups in Canada supported by an operating organization that is probably unexcelled in the newsprint industry.

DETAILS GIVEN TO LAURENTIDE SHAREHOLDERS

Letter Describes Security for Debentures of Canada Power

From Our Own Correspondent

MONTREAL. — A letter to the shareholders of the Laurentide Company outlines the security behind the new debentures of the Canada Power and Paper Corporation. The debentures bear interest at the rate of 5½ per cent. and the authorized issue is limited to $100,000,000 of which $28,800,000 will be outstanding. The Laurentide shares must be exchanged by the end of the current month. The security for the new issue consists of the shares of the St. Maurice Valley Corporation and the Laurentide Company.

Some of the authorized issue of the new security is to be reserved to retire senior underlying securities of the Canada Power and Paper Corporation. The remainder can only be issued upon the acquisition of further properties and in accordance with conservative earnings restrictions set forth in the trust deed. The debentures to be issued in exchange for the Laurentide stock will mature in 1958 and will be callable at a premium at thirty days notice.

FRASER'S REPORT WILL SHOW CASH OVER $7,000,000

Annual Statement Shortly to Come from This Company

From Our Own Correspondent

MONTREAL. — Shortly, the annual report of the Fraser Companies covering its operations during the 1927 year, when there were substantial increases both in net and gross profits, will make its appearance. It is understood also that the report will reveal a further betterment in the companies' already large working capital which last year stood at $3,819,000. This year the report will show a working capital in excess of $7,000,000, part of which is due to the recent financing which was undertaken to extend the various plants. As the development program of the company nears its completion, the working capital will decline.

Gasoline Marine Engines
Equipment, Propellers
REPAIRS TO ALL MAKES OF ENGINES
Foreman Motor & Machine Co. Ltd.
Lake St., Toronto, 2, Ont.

The SHERIDAN NURSERIES
Limited
- - *Offer* - -
CANADIAN GROWN
Evergreens, Trees, Shrubs, Perennials, Alpines, Vines, Roses
4 St. Thomas St., Toronto 5
Nurseries 260 Acres
CLARKSON, ONT.

TRADE IN RAYON IS NOT SO GOOD OVER DOMINION

Returns Show Debit Balance of $6,301,000 for Fiscal Year

Although rayon manufacturing did not come to Canada until long after it had been well established in other countries, its progress of late has been such as to lead to the belief that Canada will not remain much longer an importer of rayon or artificial silk.

Trade returns show a debit balance in Canada's rayon trade of $6,301,000 in the fiscal year ended March 31, last. For the previous year the amount was $15,159,000 and for the fiscal year 1925, $3,723,000. For the first half of the current fiscal year the figure was $3,276,000 or at the rate of over 6½ millions per year. These figures represent the imports into Canada of artificial silk (rayon) and its products. Of the total for last fiscal year, artificial silk yarns accounted for $1,479,000; artificial silk tops and waste, $542,000; and artificial silk fabrics $3,994,000. Stockings and other manufactured articles amounted to only $261,000.

Of the annual bill of over $6,000,000, there is little doubt that a considerable portion represents the repurchase of Canadian raw material in semi-manufactured state. Of the world's production of rayon, 90 per cent., up to the present, is manufactured from a special variety of wood pulp. Over 50 per cent. of this wood pulp is a product of Canada, manufactured from Northern Canada spruce. Of the remainder of the artificial silk production of the world, the greater part is manufactured by the cellulose-acetate process, utilizing cotton linters as the raw material. This branch of the industry is also rapidly increasing its production.

The first plant to manufacture rayon in Canada commenced operations in 1925. It has a capacity of 50,000 pounds of yarn per week and employs 750 to 800 workers. Its raw material is bleached sulphite or rayon pulp. This plant is now being doubled in capacity.

Another large plant which will use the cellulose-acetate process already has the weaving and knitting end of its business in operation and will soon be making yarn. It will have a capacity of about 6,000 pounds of yarn per day and it is said that when it is fully completed it will employ between 2,000 and 3,000 workers. While this industry to start with will use imported raw material, there is reasonable hope that this is only temporary, and that through improved processes it too will be utilizing some kind of Canadian fibrous material within a short time.

At present, there does not seem to be any apparent reason why Canada can not only supply her own increasing demands for this popular material, but manufacture large quantities for export.

WAYAGAMACK'S RIGHTS WORTH $15 TO SHAREHOLDERS

Company Will Raise Two Million Dollars by Sale

From Our Own Correspondent

MONTREAL. — The Wayagamack's Pulp and Paper Company is offering valuable rights to its shareholders in form of one new no par value common share at $60 for every three shares now outstanding. This gives an indicated value to the rights attached to each common share now outstanding of about $15 a share. As Wayagamack now has outstanding 100,000 shares, the new financing will net the company practically $2,000,000. The announcement follows a steady increase in Wayagamack's earnings over the past few years. No announcement has been made regarding the purpose of the new financing.

The company has $1,500,000 of short term bonds coming due in January of 1930 and this new issue is for the purpose of retiring this issue. The new stock will give the company practically two million dollars of new money, so it will be left with about half a million of additional working capital after provision for the retirement of the bond issue in question.

The rights to purchase the stock on the above terms will accrue to shareholders of record March 15th. Payment for the stock is to be made in four $15 instalments the first on or before May 1st, the second July 3rd, the third, September 1 and the final payment on or before December 1. All or any instalments may be prepaid at any time and will bear interest at the rate of 5 per cent. until December 1 when it is payable.

This new issue will bring the total of capital stock outstanding to 133,333 shares. The retirement of the bonds will mean a saving of $97,500 per annum after next year.

Machinery for the briquetting plant at Bienfait has been purchased in England and Germany and is to be shipped before May 15th.

SERVICE
MADE IN CANADA
BOND

It Attracts Attention

Among a jumble of letters, a colored form stands out. It attracts and receives attention. Service Bond gives wide color scope. This crisp, clean, substantial paper comes in BLUE, PINK, BUFF, GREEN, CANARY, GOLDEN ROD and WHITE. Use it and give variety to Salesmen's Reports, Requisitions and other office forms. On mailing pieces, too, you can oftentimes save the cost of an extra printing color by specifying a colored Service Bond.

The Rolland Paper Company Limited
MONTREAL
High Grade Paper Makers Since 1882.

The Uses of Paperboard
THE DISPLAY CARD
Paperboard has a far-reaching effect on merchandising in the form of counter or window display cards which are economical and lend themselves to appealing treatment.
CANADIAN PAPERBOARD COMPANY, LTD.
Makers of All Grades, and Largest Manufacturers of Paperboard in Canada
HEAD OFFICE—*2 Seigneurs Street*—MONTREAL

Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.
Quebec Pulp and Paper Corporation
Limited
Executive Office: CHICOUTIMI, P.Q.
Cable Address: "SAGUENAY, CHICOUTIMI"

ACADIA TRUST EARNS NEARLY 20 PER CENT.

Reserve Now is Double Paid-up Capital of $200,000

Acadia Trust Co. has added $100,000 to its reserve fund, bringing that fund to $400,000 or exactly twice the capitalization and thus establishing an almost unique record of relative financial strength. The company in 1927 earned $38,804 after all expenses, which is equivalent to 19 per cent. of capital and the dividend only now is being raised to eight per cent.

Total company assets are now $629,729.78; the total of estates, trusts and agency funds under administration by the company is $1,837,406.10, which is about $320,000 increase over last year. It was decided to place the stock on a dividend basis at the rate of eight per cent. per annum. The company is to be congratulated upon the very fine showing which it has made and the strong position in which it has placed itself.

Distribution of Earnings

	1925	1926	1927
Earnings	$ 43,887	$ 45,069	$ 49,410
Expenses	9,911	9,645	10,606
Profits	33,976	35,424	38,804
Reserve	.....	100,000	100,000
Balance	33,976	x64,576	x61,196
Prev. bal.	116,500	150,477	85,900
P. & L. bal.	150,476	85,901	24,704

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1922	$200,000	$27,727	13.8	..
1923	200,000	28,653	14.3	..
1924	200,000	31,738	15.8	..
1925	200,000	33,976	16.9	..
1926	200,000	35,424	17.7	..
1927	200,000	38,804	19.4	..

Inter. Paper Would Confine Newsprint Making to Canada

From Our Own Correspondent

MONTREAL.—A further step in the comprehensive plan of International Paper Company to confine its newsprint activities to the Canadian field is marked by the announcement that the Fort Edward mill of that company in New York state has now been equipped to make special bleached paper with a capacity of 130 tons a day. The mill has an installation of 6 machines, and recently produced newsprint only. The Fort Edward plant is on the Hudson River about 50 miles above Albany.

D. A. Sheriff & Company Open Brokerage Office

D. A. Sherriff & Company announce the opening of offices at Suite 308, Bank of Hamilton Bldg., Toronto, where a general brokerage and investment business will be conducted.

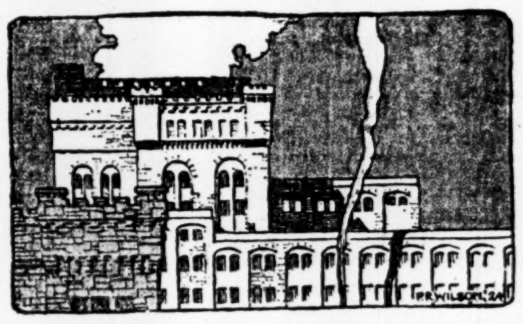
Mr. Sherriff, the head of this firm, has been connected with the brokerage business in Toronto for the past eighteen years and during this period has been actively identified with Canadian mining enterprises.

Building contracts awarded throughout Canada this January totalled $20,480,000.

Grant Johnston & Co
MEMBERS
MONTREAL STOCK EXCHANGE
MONTREAL CURB MARKET
112 Notre Dame St. W.,
MONTREAL
TELEPHONES MAIN 6184 & 6185

BRITISH AMERICAN BANK NOTE COMPANY LIMITED
Steel Plate Engraving and Printing, Lithographing, etc.
Producers of
Bank Notes, Bonds, Municipal Debentures, Stock Certificates, Interim Receipts, Cheques and all Documents of a Monetary Nature
Branch: 11 Place d'Armes, MONTREAL
Head Office: OTTAWA, Canada
Branch: 1112 Bank of Hamilton Bldg., TORONTO

The Spanish River Pulp and Paper Mills Ltd.
SAULT STE. MARIE, CANADA
Manufacturers of News Print Paper



Production—720 tons daily.
Mills at
Sault Ste. Marie, Espanola, and Sturgeon Falls, Ont.

St. Maurice Valley Corporation
Successors to
Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited, Three Rivers, P.Q.
Yearly Output—255,000 Tons Newsprint
Head Office:
MONTREAL-QUEBEC

DOMINION TEXTILE CO., LIMITED
PRUE COTTONS
MANUFACTURING
ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS
AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES
MONTREAL TORONTO WINNIPEG VANCOUVER

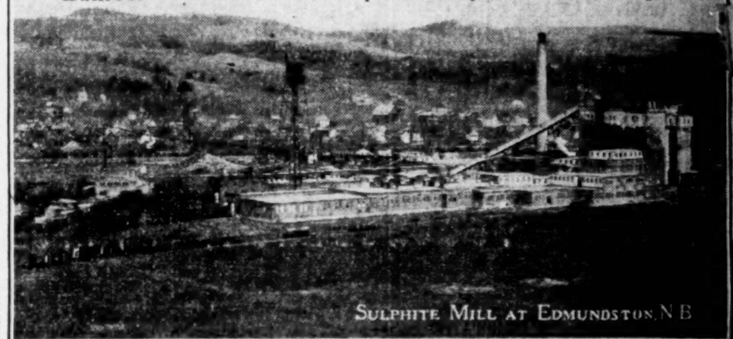
ALCO-METER SERVICE
tells you exactly how much
MAPLE LEAF ANTI-FREEZE
you require in the radiator of your car, truck or tractor, to keep it from freezing.
Sold at all leading garages, service and filling stations.
CANADIAN INDUSTRIAL ALCOHOL CO., LIMITED
Distributing Warehouses
Montreal, Toronto, Winnipeg, Vancouver

Investment Securities
Newman, Sweezey & Co.
LIMITED
136 St. James Street Montreal

The Laurentide Company
LIMITED
Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper
GRAND'MERE - QUEBEC

PORT ALFRED PULP & PAPER CORPORATION
Newsprint and Sulphite Pulp
HEAD OFFICE:
CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.
Mills at PORT ALFRED, P. Q.

FRASER COMPANIES LIMITED
EDMUNDSTON, N.B.
Lumber :-: Bleached Sulphite Pulp :-: Fine Papers


SULPHITE MILL AT EDMUNDSTON, N.B.

Abitibi Power & Paper Company
Limited
NEWSPRINT
IROQUOIS FALLS, ONT.

PRICE BROTHERS & COMPANY LIMITED

RIVERBEND
KENOGAMI
JONQUIERE
RIVER ST LAWRENCE
MATANE
RIMOUSKI
PRICE
SALMON LAKE
MONTMAGNY
QUEBEC
BATISCAN
NEWSPRINT MILLS
SAW MILLS
TIMBER LIMITS

NEWSPRINT PAPER AND LUMBER
Head Office
QUEBEC, P.Q.

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Member Eng. Inst. Can.; Am. Soc. C.E.; Am. Soc. M.E.
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Pulp and Paper Mills *Power Developments*

BATHURST
BATHURST COMPANY
LIMITED
Groundwood—Sulphite
Kraft—Newsprint—Lumber
BATHURST, NEW BRUNSWICK

Instalment Paper such as Automobile, Piano, Etc., Purchased
MANUFACTURERS FINANCE CORPORATION LTD.
MONTREAL
TORONTO: Federal Building

Wabasso Cottons are Canada's best
WABASSO COTTONS include Sheets, Sheetings, Pillow Cases, Circular Cottons, Madapolams, Cambrics, Nainsooks, Longcloths, Lawns, Voiles, Twills; also a complete colour range in Mulls, Voiles, Check Nainsooks, Lingerie Cloths and Broadcloths in the newest shades.
The new Wabasso Silks are attractive fabrics made from finest Combed Yarns and Celanese. They are as pretty as the Rainbow.
The Wabasso Cotton Company, Limited
Three Rivers, Que.

GEORGE CHRISTIE CANADA Limited
MAKERS OF
Fourdrinier Machine Wires
With special seams and edges. — Any width up to 245 inches.
Factory: Three Rivers, P.Q.
Head Office: 410 St. Francois Xavier St., Montreal

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance inquiries on sheets separate from other investment inquiries.

Canadian Canners

Kindly give me your opinion of this stock.

Canadian Canners second preferred is an interesting speculation at present prices.

Imperial Tobacco

I would appreciate an expression of your judgment on Imperial Tobacco.

Imperial Tobacco should do better when Government reduces the taxes on cigarettes.

Building Products

Would you advise holding Building Products purchased at 42½, for considerably higher prices?

We would advise you to hold your Building Products bought at 42½.

Canadian Dredge

What is your opinion of Canadian Dredge & Dock Co., Ltd.? I note that McLeod, Young, Weir & Co. are putting on the market an issue of 7 per cent. preferred. Are they a reliable firm to do business with?

The preferred stock of the Canadian Dredge and Dock Co. Ltd. appears to be a promising preferred stock investment. The investment house of McLeod, Young, Weir & Co. Ltd. is a reliable organization in our opinion.

City Dairy

What is your view on City Dairy common?

City Dairy common is a stock in an exceptionally sound company and we think that it should do as well in the next few years as it has done in the last few years.

Building Products, Fanny Farmer and J. S. Mitchell are other common stocks which are attractive at this time in our opinion.

Municipal Taxes

Would you please advise what exemptions can be claimed on the following from municipal taxes? Age, 68; pension, $1,200; dividends, $975.20; profit on sale of stocks, $800; total $2,975.20. I have a wife and daughter to support. Daughter is over 21, but dependent on me for her support.

As a householder you would be entitled to $3,000 exemption on account of civic income tax. Profit on sale of stocks is not income under the Ontario Assessment Act, but dividends from stock received by the holder directly are income.

Seagram's

We hold some Seagram's, and we note in your issue of February 10 that you say the firm has been sold and the price has been fixed. If it is not troubling you too much would you mind being a little more definite along this line? Could you advise us the details of the deal, and what price has been fixed on the old stock, that is, if you have this information?

Joseph E. Seagram & Sons, Ltd. stock will be exchanged for stock in Brewers and Distillers of Great Britain on a shares for share basis. Owing to the fact that the Brewers and Distillers of Great Britain is a closed corporation, it is difficult to determine what is the actual value of the common shares of the company. It is apparent, however, that the value is somewhere around $25 in view of the fact that the Seagram stock has been selling at near that figure in the last few days. Seagram shareholders, also, are to be given an opportunity to acquire additional stock in Brewers and Distillers, Ltd., at $10 the share.

On the whole, the deal for Seagram's is promising in view of the fact that marketing conditions under the auspices of this great Company Brewers and Distillers of Great Britain, will be improved materially.

Carlings Brewery

On your advice I bought Carlings Brewery and made a nice profit in about six weeks, sold at 42. Then last week this has dropped to 37. Is there any particular reason for this and do you expect this stock to go above 40 again?

Carlings stock remains an attractive speculation in the beverage field and we do not think that any investor has any special reason to worry because there are fluctuations in the market. The beverage stocks have been weakened somewhat in the last few days owing to recommendations to the government that exports to the United States be prevented. We do not think that this agitation will have any material effect on the earnings of Carlings.

Consumers' Cordage

Should I hang on to, or sell my shares of the Consumers Cordage?

We regret that we are unable to give you any advice regarding your holdings of the Consumers Cordage Company. The shares of the company are closely held and there exists only a very poor market for the stock. The last quotation which we heard was around $50 a share. Moreover, the company makes public none of its balance sheets, nor does it publish an annual report. Thus, you find yourself in the unfortunate position of anyone owning shares in a company which does not list its stock and which does not encourage public interest in the company in an investment way.

We believe, though, that you will be able as a shareholder to obtain information from the company itself regarding its operations. If you write the secretary-treasurer in Montreal he will no doubt make available either figures or information which we cannot obtain.

Dominion Power

Can you give me any information on Dominion Power and Transmission Co., Ltd., common stock? What I am particularly interested in is whether in your opinion this stock is a buy at the market, and what the prospects are for same over a period of six months to a year.

Dominion Power common stock is somewhat attractive in view of the generally improved position of the company in Hamilton, Grimsby and elsewhere in the Niagara district. The jitneys are to be put off the streets in Hamilton this year and we believe that the authorities can be convinced that a moderate increase in street railway fare is justified. The company is selling its power at a profit although, of course, it is suffering from the competition of the publicly owned hydro in that city.

There have been reports recently that the company may be acquired by the hydro but there is no confirmation of this.

We think that the outlook for the stock is fairly good but we would remind you that the stock is not listed on any exchange and is, therefore, subject to the vicissitudes of the unlisted market. Buyers of the stock often pay five points more than sellers get for it. And it is always difficult to determine what is the actual market for the stock at any time.

German Bonds

Would you be kind enough to let me know if the German Bonds called "Enforced Loan" of 1922 have any market value?

Complete information on the present standing of the German bonds may be obtained from the National City Bank in New York City. At the present time the Commissioner of German loans, located in the same city, is negotiating with American holders for the redemption of German State and Municipal securities. It is possible that the loans held by you come under his direction. In any event the National City Bank will be able to tell you.

Investors' Royalty

Would you recommend the purchase of Investors' Royalty Stock from A. L. Jelly & Co., of 170 Broadway, New York? The Investors' Royalty Co. is located at Tulsa, Okla.

We have not any specific knowledge of the Investors' Royalty Company of Tulsa, Okla., stock of which is offered by the A. L. Jelly & Co. of 170 Broadway, New York.

Oil royalty companies as a class must be considered speculative investments, although the yield normally is quite high. We certainly would not suggest that a woman buy stock in a company located in Oklahoma. The company is too far away from the shareholder. If anything went wrong, there would be little opportunity to get the facts.

Wright Automobile

Have you heard of Federated Investments? Is this the outfit which is sponsoring the Wright Automobile? Are they selling most unattractive securities under the guise of helping the labor unions?

You are correct. The Federated Investments may or may not do something to consolidate the aims and objectives of organized labor, but the securities of the Federated Investment Trust are most unattractive.

One of the first objectives of the Federated Investment Trust is to finance the Wright Flexible Axle Automobile Company. In our opinion, this subsidiary has no chance for success. As far as we have been able to ascertain, those behind the Wright Automobile and those behind the investment trust are honest but misguided.

Trusts in Canada

I should be pleased if you would give me a list of the more important trusts in Canada.

There are three investment trusts in Canada which apparently are operating along conservative lines and have not departed materially from the sound practice developed in Scotland and England.

These three are:

Canadian General Investment Trust Limited and Second Canadian General Investment Trust Limited, Northern Ontario Building, Toronto 2, Ontario.

Economic Investment Trust, Dominion Bank Building, Toronto 2, Ontario.

Montroy Investment Corporation, Limited, Drummond Building, 511 St. Catherine St. West, Montreal, P.Q.

The Canadian General Investment Trust have, we understand, within the last few weeks established an office in London.

Bond List

Will you please give me an analysis of the following bonds which I hold, whether you consider them secure and properly diversified? If you would make any changes? If so, what would you suggest selling and what to purchase?

$1,500 C.N.R. Gov. Guaranteed, 5 per cent., due Feb. 1, 1954.

$2,000 Gov. Bonds, 5½%, due Nov. 1, 1932.

$500 Fraser, 6 per cent., due Jan. 1, 1950.

$500 St. Maurice Val. Corp., 6 per cent., due Dec. 1, 1945.

$500 Mercury Mills, 6½ per cent., due May 15, 1942.

$500 Montreal Apts., 6½ per cent., due Jan. 1, 1940.

$500 Anticosti, 6½ per cent., due Aug. 15, 1941.

$1,000 Hydro Elec. Bond & Share, 5½ per cent., due May 1, 1957.

$500 Port Alfred, 5½ per cent., due Nov. 1, 1957.

The above were purchased to average about par.

The bonds now held by you represent a degree of safety in diversification not usually encountered in the holding of individuals. We would not recommend that you make any changes.

Dominion Foundries

I would consider it a favor if you could furnish me with any particulars regarding Dominion Foundries & Steel preferred stock. What is your opinion of the present condition of the company and the prospects for the future? We understand there is some kind of re-organization or sale pending. If a re-organization or a sale, what would the stockholders' position be? Would you advise selling the stock at the price offered, namely $30?

Presumably you have held your Dominion Foundries and Steel preferred stock for some little time and the paper loss is so heavy now that one would be inclined to advise holding it in the hope that ultimately the company will be in a much better position. The company, as you probably know, was one which made big profits during the war, but which has had a difficult time since. The company has an investment of $2,000,000 in a steel plate mill, which never has operated because of the low tariff and United States competition. A slight change in the tariff in favor of this company would change entirely the complexion of affairs.

In the meantime, however, the company is doing very well with steel castings and there is a possibility that over a term of years the investment will be reasonably satisfactory. There will have to be some form of reorganization to dispose of the arrears of dividend on the preferred stock, but on the whole the outlook may be said to be improving gradually under the present management.

Riverside Town Bonds

I would be pleased to know where the Riverside Town Bonds are for sale to the individual public.

If you will write to any of the bond houses advertising in The Financial Post, they will be able to secure for you the Town of Riverside Bonds.

Van Kel Cleansers

I would appreciate any information you can give me on Van Kel Cleansers, Ltd., Swift Current, Sask.

We are not sufficiently acquainted with the Van Kel Cleansers, Limited, of Swift Current, Sask., to form an opinion upon its apparent worth. If you will get in touch with J. Molloy, Commissioner of Industries for Saskatchewan, at Regina, he will undoubtedly be able to give you first hand information regarding this company and its future prospects.

U.S. Stocks

I should be pleased if you would give me your opinion on the following stocks for purchase at this time: General Motors, United States Steel, Allied Chemicals, Standard Oil of Indiana. Will the price war in your opinion affect this stock?

Unfortunately, we are not in position to give exact information regarding stocks of companies in the United States. However, it may suffice to say that the companies you mention are all sound and over a term of years investors have found a satisfactory experience.

Duluth Superior

Will you kindly give me full particulars of Duluth Superior Traction stock. Do you consider it a good investment? Has it an encouraging future? Is the price of share likely to advance?

The common stock of the Duluth Superior Traction Company is currently giving a high yield. The position of the company certainly has not become any worse in the last year, and there are hopes that there will be ultimate substantial improvements with the prosperity of the districts in hand and the general conditions of the North-Western States improve. There also is the favorable fact that the outlook for street railways in general is better now than it has been for some years.

B.C. Fishing

I have some B. C. Fishing stock costing 18. Why should this stock be so depressed? I enclose a clipping of Major Motherwell's optimistic views.

The remarks of Major Motherwell are more optimistic than might be expected, but we hardly think that his favorable opinion as to the future of the industry can be interpreted in favor of the stock of British Columbia Fishing and Packing Co. In our opinion the company should not be paying dividends on its common stock for the reason that the balance sheet published a year ago did not reveal an especially good position. There are certain to be wide fluctuations in earnings of a company of this character and it would have been more desirable for the company to conserve its cash resources against unfavorable years. It will be surprising if the common stock of this company soon returns to the price at which you bought it.

List of Holdings

I am submitting a list of holdings and would appreciate your comments on same, pointing out any that it would be advisable to dispose of, keeping in mind I am willing to carry some speculative issues which have a fair show to advance:

Bonds—$500 Dom. Refunding Loan, 5 per cent.; $500 Can. Pacific Railway Co., 5 per cent.; $500 Jamaica Public Utility, 6 per cent.; $500 Montreal Island Power, 5½ per cent. $500 1st Mort. Bond Deb. Detroit Inter. Bridge 7 per cent. cum.; $500 Canada Northern Power. 96 shares common of New Brunswick Telephone, pays 8 per cent. 16 shares preferred Foreign Power Securities, 6 per cent.; $500 Canadian General Investment Trust. Common, 20 shares of insurance shares; 10 Bronze; 12 Massey-Harris; 5 Frontenac Oil; 5 Carlings; 10 Foreign Power Securities; 10 Power Corporation; 15 International Power.

The latter two I paid 75 and 45 for, current prices are now less.

Replying to your letter of January 20, we believe that you have a very satisfactory list of holdings, some of which are excellent, and most of which, we believe, you will find very satisfactory over a period of years. As regards the future, we are somewhat doubtful about the Detroit International Bridge, but our information on this holding is not as up-to-date as we would like to have it so we are referring this holding to one of our other editors who will write to you about it in the near future.

If you should decide to sell this holding in Detroit Bridge, or if you have additional money to invest from time to time, we might suggest that you increase your holdings by the purchase of some gilt-edged common stocks such as Shawinigan or Steel of Canada.

As regards your bond holdings, the Dominion Refunding Loan and Canadian Pacific Railway holdings are, of course, the very best. When you refer to Jamaica public utility 6's, we presume that you are thinking of Jamaica public service 6½ per cent. bonds, which are excellent. Your Montreal Island Power bond is quite satisfactory, but as we have already pointed out, we will communicate with you at a later date regarding Detroit International Bridge. The 6½ per cent. collateral trust bonds of Canada Northern Power are also a satisfactory holding and will probably help you to increase your average yield on this class of security.

Regarding the two preferred stocks which you hold, we consider that your sixteen shares of Foreign Power securities are a business man's hold and that your investment in the Canadian General Investment trust is an exceedingly wise one which will bring you good results almost immediately.

Your shares in New Brunswick Telephone Company are an excellent investment, and although you do not state which series of insurance shares you hold, nevertheless, this too, seems to offer very attractive possibilities in light of the splendid record of insurance companies over the last ten years.

The other common stocks which you list can all be classed as a good business man's hold. Massey Harris may not appreciate very much in the near future, but should be looked at in the light of a long hold. This also holds good for Power Corporation and for International Power, both of which must be considered as a long hold for a business man. Your shares in Foreign Power Securities common are, perhaps, more speculative than the rest of the securities you hold, but nevertheless they, too, look attractive at the present time.

The first mortgage debentures of the Detroit International Bridge are an attractive hold. The construction of this bridge is a necessity in view of the large amount of inter-city traffic between Windsor, other border cities and the City of Detroit, as well as the facilitating of the flow of tourist traffic between the mid-western States and Canada. If the experience of the Detroit International Bridge is like that of the Peace Bridge between Buffalo and Fort Erie, the securities of the company will prove very attractive to its holders. In view of the high yield of the debenture and the favorable outlook for the company we would advise you to retain this security.

Wants Appreciation

Could you give me a list of some attractive stocks? I desire to obtain an appreciation within six months or so if possible.

It is really impossible to answer your question. The security markets have been so buoyant of late that now there are practically no issues which have not discounted the future to a very large degree. We think you would be well advised to place some of your funds in Montreal Power or Shawinigan. These stocks may not appreciate for some months but an ultimate appreciation seems almost certain. They are investment stocks.

Here is a list of securities, though, which may interest you. The stocks all look like satisfactory long hold purchases for a business man:

Canners second preferred.
Belding-Corticelli.
Celanese preferred.
McColl-Frontenac.
Imperial Oil.
J. S. Mitchell.
Massey Harris.
Dominion Bridge.
Canadian Industrial Alcohol.
Building Products.
Carling Breweries.
Canadian Vickers.

An investment diversified in seven or eight of these stocks should over a term of years show some appreciation. They are speculative though. Some are more speculative than others of course.

Manufacturers' Finance

I would like to get some information as to the standing of the Manufacturers' Finance Corporation.

Manufacturers' Finance Corporation preferred stock is a fairly good speculative investment. Its principal defect is its lack of marketability. However, if the holder purchased it at somewhere around $7 from one of the unlisted security dealers, he is likely to secure something like that figure for it or better. The investment is not thoroughly sound—that is to say, it is not a gilt edged investment, well seasoned and tested, but it has a speculative possibility and the company apparently is making fair progress.

There is some difficulty getting an exact picture of Manufacturers' Finance Corporation for the reason that the corporation has been absorbing new companies rather rapidly, so that it is difficult to compare one balance sheet with another.

In the year ended January 31, 1927, the net profits were $141,844. This compares with $123,213 the previous year. Against this increased profit, however, is an increase in the paid up and issued preferred stock, which then stood at $1,513,900, compared with $1,152,810 at the end of the previous fiscal year.

List of Stock

Would you kindly submit a list of good bonds and preferred stocks in which in your opinion say $175,000 might be properly invested, safety of principal, of course, to be the predominant factor, although as high a yield as possible consistent with safety is also desired?

Your letter of January 10th asks us to submit a list of good bonds and preferred stocks which, in our opinion, $175,000 might be properly invested, safety of principal, of course, to be the predominant factor, although as high a yield as possible consistent with safety is also desired.

We would suggest that the funds be divided into seven classes of securities. One-seventh of the funds would go into the bonds of the Dominion or the provinces, one-seventh to go into Canadian municipal bonds, one-seventh to go into the external loans of foreign governments, one-seventh to go into bonds of public utility corporations, one-seventh to go into bonds of industrial corporations, one-seventh to go into preferred stocks, and the remainder of the money to go into standard common stocks.

As regards the government and provincial bonds, little discrimination is necessary, except to select suitable maturity dates. The highest yield which can be obtained is slightly more than 4½%. The New Brunswick 1947 bonds at current prices yield about 4-3/10%.

There is a City of Halifax 4½% thirty-five year bond selling at a price to yield about 4½%. A Quebec City bond, due in 1957, yields 4.49%. Most of the other large cities are borrowing money at comparatively low rates. A number of the smaller communities are selling bonds now on a 5½% basis. Some discrimination should be exercised, however, in selecting bonds of small municipalities. Generally the sounder bonds are yielding about 5% at this time. A progressive and growing industrial community usually must sell its bonds on a higher yield basis than a rural township for the reason that the growing industrial community finds heavy demands for improvements and, therefore, its per capita debt is apt to be somewhat high. But if the community is not dependent on one industry and has shown a stable growth over a term of years, it is reasonable to hope and expect that the comparatively high yielding bonds will be satisfactory. There are a number of such communities in Ontario especially. The Border cities are among these towns. Preston is another and bonds of Bridgeburg on the Niagara frontier can be had at an attractive price.

In selecting bonds of foreign governments, it is essential to remember that an external loan is payable usually in dollars at New York or in pounds Sterling in London. An internal loan on the other hand is payable in the currency of the country of issue and, therefore, the value of the investment is affected by the fluctuations in exchange. The Chilean Government bonds are high grade in their class and the Argentine Republic and the United States of Brazil also have outstanding external bonds which should be a safe medium of investment for a part of your capital. The governments of South American countries appear to be stabilized. A portion of the funds could be placed in the bonds of the Australian Government.

Utility and industrial bonds which are sound include:—

Gatineau Power 5%.
Montreal Trams, Series A.
Canada Northern Power.
Duke Price 6%.
Ottawa Light, Heat and Power.
Port Alfred Pulp and Paper.
United Grain Growers 5%.
Fraser Companies 6½%.
Massey-Harris first mortgage bonds.

We would also suggest that a portion of the capital be placed in the stock of the Consumers' Gas Co., Toronto. This company has no preferred stock or bonds having a prior charge on earnings and the franchise with the city secured from the Legislature of Ontario virtually guarantees a dividend of 10 per cent. on the par value of $100 per share. The present price of the stock gives a yield slightly better than 5 per cent. The company is thoroughly sound and even if the city were to buy out the company, the book value of the stock is far in excess of the market value at this time. The stock should sell somewhat higher as interest rates decline and also is subject to appreciation in value because the company from time to time gives its shareholders the right to purchase additional stock in order to take care of capital expenditures on behalf of the company. The city and district of Toronto are growing. The company is ably managed, soundly financed, and is prepared to expand with the demand for gas for industrial and domestic purposes.

We think that the investor would be well advised also to place a part of his principal into such standard common stocks as Canadian Pacific Railway; Bell Telephone Co. of Canada; Montreal Light, Heat and Power; and Steel Co. of Canada. The current yield on these stocks is lower than the yield on bonds, but over a term of years, it is fair to assume that the average yield would be somewhat higher than the average yield on bonds. With the same degree of diversification in these stocks as in the bonds we have mentioned, we think that the factor of safety is quite as high. Moreover, there is an excellent opportunity for appreciation of principal in view of the fact that the country in all probability will prosper exceedingly in the next decade.

When Women Invest

One Who Seeks Return on Investment Rather Than Protection for Heirs is Advised to Buy Bonds Instead of Life Annuity Policy

A WEEKLY FEATURE

I thank you for information received more than once, and which I found of value.

Am again seeking your advice re insurance problems.

I enclose a copy of a policy as given me by an agent of the Sun Life, and ask your opinion as to the wisdom of investing in it.

I am a woman earning a salary of $1,500.00 per year.

I have Government bonds, some of which have come due and others still in force. Would like to invest in something to replace them in value and returns, but with a satisfactory degree of safety.

This proposed policy seems to me to be an opportunity to invest money to good advantage both as to returns in interest as well as returns to one's dependents. The first is the greater consideration with me.

I should like your advice on the matter before proceeding further.

New Investment Life Policy

Title—
Life annuity with death benefit.

Value—
$1,000.

Provides—
(1) Guaranteed annuity payments of 3½%, payable annually $35.00
(2) Above payment increased by excess interest dividend declared by the company, present rate 2% ... $20.00
Total yield $55.00

Privileges, half-yearly—
(1) Face value of contract may be withdrawn at any time $1,000.00
(2) Face value of contract payable at death $1,000.00
(3) Contains full loan values up to 95%.

Investment Necessary—
$1,050.

Conditions—
(1) Maximum amount accepted $1,000,000
Minimum amount accepted 500
(2) Issued at ages up to and including age 75.
(3) No medical examination.

In the first place, we presume that your yield on government bonds will be perhaps five and a half per cent. or at least five per cent. and that you would like to maintain or perhaps better this yield and at the same time retain a very considerable degree of safety in your investments.

This being the case, why not invest directly in a really good bond which if carefully picked could yield you between five and a half and six and a half per cent. per annum, depending upon the type of bond you would like to buy.

For your guidance we might suggest one or two bonds such as Gatineau Power Company, which at present prices would yield you something like 5.6 per cent. Although this is a second mortgage it is well secured by the assets of one of the most important power companies in Canada which has already let contracts for the sale of practically all its power on a long term basis to such people as the Ontario Hydro-Electric Commission and its parent company, the Canadian International Paper.

Foreign Bonds

There is also another class of bond which you may be interested in and which, although they must be picked with extreme care, nevertheless offer splendid investment possibilities of the very highest order if carefully chosen. We refer to foreign government bonds and might suggest that you purchase such bonds as the six per cent. external bonds of the government of Argentine maturing in 1961 and which at present prices would yield you something like 6.03 per cent. Then there are the six per cent. external bonds of the Republic of Chile maturing in 1960 and yielding at present prices, 6.55 per cent. Another equally good bond which is virtually guaranteed by the government of the United States, is the external six per cent. bond of the Republic of Haiti.

These bonds of course are somewhat removed from those of Canadian organization but are nevertheless an investment of outstanding merit which we believe would be quite suitable to your purpose.

When Yield is Low

Regarding the Sun Life Annuity, the fact that a $1,000 annuity costs you something like $1050 means that your actual yield — even supposing the company is able to pay dividends at the present rate, can never be more than 5.23 per cent. Of course, the annuity is easily marketable at any time but the same can be said of a good bond that is listed on a recognized exchange, and whereas the annuity will only guarantee a three and a half per cent. return (the remainder being dependent upon dividends) the bond may be purchased to give you a known paid yield on your investment.

If, as you suggest, you are more interested in investing your money with good return rather than providing for the dependents, we think you will be well advised to investigate carefully a bond such as those mentioned above before purchasing this annuity.

Yields of
6.80% to 7.86%

Yields of 7% from investments which meet the usual tests are distinctly difficult to secure at the present time.

Our current Weekly Offering List gives the investor a choice of half a dozen opportunities to obtain approximately this high yield.

	Price	Yield % about
*Republic of Peru 6% Bonds, due 1960	91½	6.80
*Republic of Poland 7% Bonds, due 1947 ..	92	7.86
*Detroit International Bridge 7% Participating Debentures, due 1952	101	6.90
International Power 7% 1st Preferred Stock	Mkt.	7.00
Alberta Pacific Grain 7% Preferred Stock ..	Mkt.	7.00
Windsor Hotel 6½% Preferred Stock......	92	7.06

*Payable as to principal and interest in New York funds.

Full information relative to any of these attractive investments will be supplied upon request.

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OUR STATISTICAL DEPARTMENT has completed, after much careful thought and exhaustive search, an analysis of Brazilian Traction, Light & Power Company, which reveals among other interesting features, that

From 1917 to 1927 the power output of the Company has doubled—

The number of gas consumers has increased three and a quarter times in twelve years—

They have increased the number of telephone subscribers by eight times within the past fourteen years—

Features such as these and extensive reviews of the capital structure of the company that indicate excellent possibilities for the investor are contained in our analysis—a copy will be sent you if your request is received before the supply is exhausted.

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From time to time we issue prospectuses describing new issues of securities; periodically, we also publish lists offering broad selections of issues already outstanding. This literature should prove a valuable guide to investors desiring substantial and regular income return, combined with security of capital.

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If You Have Lost Money Speculating - - - Read This

THE current number of "The Investor" has a good short story showing how John Brenton built up his capital reserves with safety and profit after being "wiped out" several times in unwise land, oil, mining and other get-rich-quick schemes.

There's also a cracking good article on the Auto Industries, showing the trend of production and earnings; as well as a host of sound investment suggestions.

Send now and get a copy before the intention slips your memory. "The Investor" is our shop talk, and you'll find it as interesting as a personal chat with one of our executives.

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Insurance for Buyer and Seller

Lower With-Profit Rate is Controversy Engaging Life Insurance Concerns

Present System Has Placed Canadian Companies in Impregnable Position

By ARTHUR PEDOE, F.I.A., Actuary, Continental Life Insurance Co.

The question of lower with-profit rates which is engaging the attention of the life insurance world at the present time is one which affects the very roots of the business. There has existed during the last few years a tendency towards lower rates which is rapidly gaining ground and the present time is most suitable for a review of the position.

What can be said in favor of the present system of high premiums with the excess returned to the assured in the form of dividends?

It appears to have well served the Canadian life companies. It has not only helped them to attain their present impregnable position but it has enabled them to emerge from the efforts of the world war and the influenza epidemic not only rapidly, but stronger than ever. It has enabled them to compete very effectively in countries abroad, in the United States with the largest and some of the most progressive life insurance companies of the world, and in Great Britain where some of the most conservative companies of the world exist.

Agency Organization

The present agency organization system of the life insurance companies results in by far the greater part of the cost being incurred in the first year of the contract. The effect of a high premium with the resulting high dividends is such that it enables the company to pay a substantial acquisition cost for the business which can be recovered out of the first few premiums paid. Thus, not only is it possible for the companies to expand their selling organization easily but it results in the initial cost being repaid within a short period.

The higher premiums enable the company to put up a reserve on a more stringent basis than might possibly be considered necessary, from which the insured benefits in higher cash surrender values. The higher cash values increase the investment element in life insurance contracts and there is little doubt that this increasing fund is one of the main causes for the increase in popularity of life insurance in modern times. In this way life insurance has a twofold use not only in protecting the well-being of dependents but in creating an increasing fund for the insured's own use in the later years of life.

Have the higher premiums meant a high cost of insurance to the public? The answer is, an emphatic "no." Figures were recently published showing the net cost of insurance to the with-profit policyholders of the leading companies on this continent on the basis of the actual annual dividends paid in the past 20 years and the results show that the cost was substantially lower than on non-participating contracts issued at the same time and this was over a period covering the Great War and the influenza epidemic of 1918. Further, the present dividend scales of the leading Canadian companies are such that if maintained, the net cost to the policyholders will be lower than the lowest non-participating policies freely sold at the present time.

Lower Premium Wanted

There is little doubt that there exists an actual demand for a lower with-profit premium, the present margin between with and without profit policies being over 30 per cent. of the non-participating rate for some plans at certain ages. It may also be stated that the companies are in a position to meet this demand for a lower with-profit rate. The companies have become better established with resulting lower costs, they could stand the strain of a sudden increase in business more easily than they could do years ago and the principles of the business have become better understood with resulting increased confidence. It would thus be possible to operate successfully with a lower premium and lower dividends.

Unfortunately the existing tendency towards lower with-profit rates has resulted in the appearance of special series of policies under various names where the rates are within less than a dollar, at certain ages, of the average non-participating premiums. Thus, the margin for profits is such that only on the assumption of the present profit earnings of the companies can a dividend of even a few cents per thousand be paid in the early years of the contract.

These last few years have been exceptionally profitable ones for the companies and the cautious view would be not to expect such conditions to continue indefinitely. We are on the down-grade as regards interest earnings to which Canadian companies owe their greatest advantage; possible profits from savings in expense are a negative item at best; and as for mortality, every improvement means a smaller possible improvement in the future. Under such plans it is only to be expected that at the first sign of bad weather the dividends would vanish and dissatisfaction among the policyholders would be created.

Policy Failed in Britain

The attempt to sell with-profit policies at cut-rates has been tried in Great Britain and failed dismally. The companies there issued what were called "Discounted Bonus Policies" where the future profits were discounted as an immediate reduction of premiums, the assured agreeing that if the profits fell below the amount discounted the sum assured would be reduced accordingly. The resulting rates were then a few cents from the non-participating rates of the companies and in some cases below them. It was expected by the optimists originating the plan that the bonus would never fall below the fixed amount discounted but with the outbreak of war it was necessary in most companies to suspend dividends and hence the face value of the policies had to be reduced at a time when they represented a fraction of their pre-war purchasing power to the beneficiaries. The reaction on the companies was such that this plan will never be tried again. A development from this has been Discounted Bonus Policies where the insured is guaranteed that the sum assured under his policy will not be reduced whatever may happen to the dividends but as the resulting premium includes a substantial charge for this guarantee these plans have never proved popular.

It is beyond doubt that had these "Special Series" rates been general in Canada in pre-war days, the Canadian life insurance companies would never have grown with Canada as they have; they could never have developed abroad in such an effective manner; and they would not have come through the war and influenza epidemic as easily as they did.

It should not be considered that the Canadian companies selling these "Special Series" are imperilling their existence. The sale of these policies is carefully restricted to amounts of $5,000 and over, thus ruling out the greater majority of the insuring public; further, the remuneration to agents is usually severely limited which operates to limit the amount which is written on these plans.

Powerful Corporations

The present uniform with-profit rates now in general use were adopted by Canadian life companies a generation ago and under them the companies have developed into powerful international corporations of which Canada can right well be proud. Uniform with-profit rates do not mean restricted competition —on the contrary they make competition more severe by comparing dividends on an equal basis and the competition devolves into the management of the companies with the highest degree of efficiency.

There is however, a mean between the present high uniform with-profit rates and the special rates referred to, which are practically non-participating rates. For the well-being of life insurance in Canada it is hoped that the companies will get together and by their usual co-operation for the well-being of their business they will agree to a uniform scale of with-profit premiums which will be available to the public as a whole and which will inaugurate a new era of development and expansion of life insurance in Canada.

Post's Advice is Approved

On January 27, The Financial Post in an editorial entitled "Stop a Rate-War," made a plea that Canadian life insurance companies should head off the present tendency to cut rates on certain kinds of participating life insurance, and should by a co-operative effort make a downward revision in the general level of participating rates now in force. This attitude was taken only after due deliberation with leading insurance executives throughout the country, and has already been greeted with approval from many sides.

This week we print an exceedingly timely article sent to us by Arthur Pedoe, F.I.A., Actuary of the Continental Life Insurance Co., which bears out in considerable detail the stand already taken by The Post, on this very live subject.

SUN LIFE REPORTS BRILLIANT RECORD OVER 1927 PERIOD

New Business Paid for During Year Amounts to $328,408,000

From Our Own Correspondent

MONTREAL. — Maintaining its record as Canada's greatest life insurance company, the Sun Life Assurance at its annual meeting this week records the achievement of 1927 as far the biggest year in its history. To this tremendous institution, hundreds of millions of dollars have come to be unit of measurement and the year 1927 was no exception to this rule. Here are the important items of achievement:

New business paid for $328,408,000.

New business written $350,000,000.

Total assurances in force, $1,487,990,000.

Total net income, 1927, $102,774,503.

Total assets, $401,305,000.

Not only does the business done by the Sun Life last year constitute a new Canadian record, but it constitutes an achievement that is hard indeed to visualize. Actually, however, it means that the company wrote a million dollars worth of paid for life insurance every working day of the year. The 1927 record places the Sun Life not only as the leading insurance company in the British Empire, writing ordinary business, but puts the company in tenth place for world insurance honors, and sixth place among life companies writing ordinary business. A good record for fifty-seven years of activity.

Looking more closely into the company's statement, out of a total income of $102,774,000, approximately $75,000,000 came from premiums, which include group business and also annuities. Comparing this with last year's figures the company's premium income shows a 29 per cent. increase over the $58,145,000 figure of a year ago. An interesting feature of this increase is the fact that income from annuities has practically doubled in the past year, due doubtless to the new plans the company has recently brought out in this field.

The next important item of income is from interest, dividends and rents which stands at $21,397,000 for the year, and to this may be added net profit from the sale of securities which is $5,028,000. Total income for the year is 30 per cent. higher than for 1926.

Including cash profits paid to policyholders, the company's total disbursements to policyholders for the year amounted to $42,224,249. Total disbursements amount to $62,731,000 which leaves an excess of income over disbursements of $40,043,000.

Turning to the company's balance sheet the most important item of this company's statement is its holdings of bonds and stocks. These are shown at their market value which amounts to $308,450,000—a $52,000,000 increase over 1926. Allowing a deduction of $10,000,000 to allow for possible market fluctuations the net amount carried out in balance sheet is $298,450,000. The total market value of the company's investments is approximately 20 per cent. above their ledger value, due of course to the tremendous appreciation which has taken place in the company's investment in common stocks—this appreciation, according to the balance sheet is approximately 30 per cent.

It is also understood that the company has not shown in this year's balance sheet the full amount of capital appreciation that has taken place. This fact is amply borne out by a footnote which explains that market values officially quoted are either those of the Dominion Insurance Department, or lower—the last two words appearing this year for the first time. The proportion of the company's investment holdings is as follows: bonds, $107,992,000; preferred and guaranteed stocks, $37,144,000; other stocks, 163,313,000. Other important items in the balance sheet are: loans on first mortgage real estate, $31,108,000; loans on company's policies, $49,009,757. On the liabilities side the company has set aside $12,500,000 for unforeseen contingencies, and shows a clear policyholder's surplus, above all liabilities and capital stock of $45,280,896.

Comparative figures for the last two years are given below and elsewhere a resume of the announcements made by the company in connection with the annual meeting.

	1927	1926
Premium income	$ 74,241,806	$ 58,145,786
Int. income, etc.	26,425,789	20,248,330
New bus. (paid)	328,408,000	265,889,546
Total in force ..	1,487,990,000	1,256,490,115
Total assets ..	401,305,000	345,251,714
Rate earned ...	6.47%	6.69%

Record Year

T. B. MACAULAY, President, Sun Life of Canada, which reports a record year.

Real Estate Board Adopts Rules Governing Appraisals

Recommendations governing the making of appraisals and the conduct of appraisers have been adopted by the Appraisal Division of the National Association of Real Estate Boards. The recommendations are designed to eliminate misleading appraisal practice especially in connection with real estate bond issues. They are as follows:

1. No appraiser should accept an order for a valuation for which his employment is contingent upon his appraisal.

2. The practice of having one appraiser make the valuation of land and another of the building and using the total of the two as the true value is unsound, and is condemned, as is also the practice of basing the appraisal entirely on the capitalized value of the net income. In appraisals for bond issues where more than one appraiser participates, all of the appraisers estimating the separate units of value, including income, should be in detail, upon a standard form furnished by the National Association.

3. An appraisal report should state the conditions under which the valuation obtains, and when feasible should reconcile their respective appraisals and sign a joint report.

4. An appraiser should have no interest in the property which is being appraised unless his interest is specifically disclosed in the appraisal report.

5. An appraisal for a bond issue should, in adition to showing the fair cash market value of the property also show the appraiser's estimate of gross earnings, operating expenses and resulting net income. In case the capitalization of the net income and the valuation are not reconciled, the reasons for the difference should be explained.

6. All advertisements of bond issues should give the name or names and addresses of the appraisers, and should quote sufficiently from the appraisal report, both as to physical value and income, as to reflect correctly the opinion and judgment of the appraiser, and certified copies of the full appraisal report should be available to the public at all times.

Four High Spots Culled From Sun Life Meeting

From Our Own Correspondent

MONTREAL.—1. Presentation of record-breaking annual report.

2. Appointment of Hon. Louis A. Taschereau, premier of Quebec; R. H. MacMaster, president of Steel Co. of Canada; and C. B. McNaught, president of "Besco," to the Board of Directors.

3. Announcement of increased dividends to policyholders for eighth consecutive year.

4. Authorization of an application to parliament to make the following changes in the company's act of incorporation.

(a) Increase capitalization from $2,000,000 to $5,000,000.

(b) Creation of $3,000,000 new class "B" stock which will be handled through company's own office, and thus will enable company to prevent control from ever passing out of Canadian hands.

(c) To subsequently split the entire capitalization on a ten for one basis, giving new stock a $10 par value.

(d) Permission for reasonable donations and contributions for public health and welfare to be made by board of directors and charged to administration expense.

STOCKHOLDERS TO ADVISE GURD

Suggested That Unissued Portion of Common be Offered Shareholders

From Our Own Correspondent

MONTREAL.—It is generally understood that at a special general meeting of the shareholders held after the annual meeting of Charles Gurd and Company next month, the shareholders will consider suggestions made to the management by a strong group of stockholders.

A powerful group of the stockholders have approached the management suggesting that the unissued portion of the common stock be offered to shareholders on an attractive basis; that the 30,000 shares which will then be outstanding be split; that a new company be formed which would acquire the old company and erect a new ten story $1,500,000 building and further expand the business of the company. A meeting of the board of directors of the company will shortly take place to consider these proposals.

The capitalization of Chas. Gurd and Company consists of $200,000 in a 5 per cent. mortgage; $500,000 of preferred stock and 22,250 shares of no par value common stock outstanding with 7,750 shares of common in the treasury.

The proposal is that the remaining 7,750 common shares be offered the shareholders which gives an indicated value of the rights applicable to the present stock of about $15 per share.

The sale of this additional common stock would allow for the redemption of the preferred issue.

The Ontario government has a new plan to assist at once the sheep industry of Ontario and the campaign for weed extermination.

Plans for the development of civil aviation in Canada are developing at a rate fully up to expectations.

CANADA LIFE CHANGES

E. M. SAUNDERS L. R. YOUNG WM. HASTIE

THE President of the Canada Life Assurance Company announces that Mr E. M. Saunders, who has for the past fifteen years acted so acceptably as Treasurer of that Company, has resigned from that position and is leaving for a well-merited holiday of six months in the South. Upon his return to Toronto he will continue his association with the Company as Investment Executive. His retiring from the office he has formerly held enables the advancement of Mr. L. R. Young, who has been for a great many years associated with the Canada Life, and for the past eight years as Assistant Treasurer. Mr. Young, who is well known in investment circles, brings to his new duties as Treasurer an intimate knowledge of the Company's affairs. Mr. W. Hastie, who has had many years' banking experience, and who has been for the past five years identified with the Investment Department, has been appointed Assistant Treasurer.

The Responsibilites of Leadership—
To better human conditions; to make it easier for the working man to get along; to lengthen his life; to make it possible for him to bring up his children as they should be brought up; to spread happiness—these are the ideals that inspire the personnel of the METROPOLITAN LIFE, the world's leading financial institution.
CANADIAN HEAD OFFICE — OTTAWA
Metropolitan Life

FAMILY MEN - -
You want your wife and family to have the best your income will afford. But you also want to be sure they will not suffer if you are taken. What is the relative place of life assurance in your family budget?
The Sun Life Assurance Company of Canada has issued a booklet called "A Family Man's Problem" which discusses this. Write for a copy.
SUN LIFE ASSURANCE COMPANY OF CANADA
Head Office: Montreal

The Mutual Life Assurance Co. of Canada
A Savings Bank is good if a man lives and saves
A Mutual Policy is better because it forces a man to save, and is good whether he lives or dies.
HUME CRONYN President
W. H. SOMERVILLE General Manager

One Per Cent.
One Hundred Per Cent.
Statistics show that out of a hundred who play the stock market one makes a profit, two break even and 97 lose!
In Life Insurance investment, one hundred per cent. make a profit and none lose. No policy holder has ever lost a dollar through the failure of a Canadian Legal Reserve Life Insurance Company.
Protection with Profit
The Great-West Life Assurance Company

We take pleasure in announcing that
Mr. H. H. McKee
and
Mr. R. B. Duggan
have been admitted to partnership in this firm.
Duncanson, White & Co.
MEMBERS
TORONTO STOCK EXCHANGE
MONTREAL STOCK EXCHANGE
MONTREAL CURB MARKET
NEW YORK CURB (ASSOCIATE)
Dominion Bank Bldg., Toronto

Western Investments
Those who have investments in British Columbia, with which they are not familiar, may write to us for independent reports or valuations.
Our organization covers every section of the province.
Pemberton & Son
Vancouver Limited
418 HOWE STREET
Vancouver, Canada

ST. LAWRENCE
UNDERWRITERS' AGENCY
FIRE and AUTOMOBILE INSURANCE
HEAD OFFICE - TORONTO

The PIONEER INSURANCE COMPANY
Fire Insurance at Tariff Rates
Pres.—JAMES STEWART
Vice-Pres.—FRANK O. FOWLER Ex-Mayor of Winnipeg
Sec.-Treas.—J. H. FACHE
Head Office: WINNIPEG - MANITOBA

THE Western Empire Life Assurance Company
HEAD OFFICE
701 Somerset Building
Winnipeg, Man.
Branch Offices:
SASKATOON CALGARY EDMONTON VANCOUVER

THE MONARCH LIFE IS A GOOD COMPANY
Provincial Offices:
Toronto, Montreal, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria, St. John, Halifax

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA — HAMILTON, ONTARIO
Writing Fire Insurance at Cost
Assets $3,751,733.94
ALL POLICIES DIVIDEND-PAYING AND NON-ASSESSABLE
Branch Offices:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Saskatoon, Winnipeg, Montreal, St. John, Halifax, and Charlottetown.

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$87,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY Secretary
W. H. HUNTER President
ALEX. STEWART Treasurer

The Ontario Equitable Life & Accident Insurance Company
S. C. TWEED, President.
Head Office - Waterloo, Ontario
Summary of the Company's Progress

Year		Premium Income	Assets	Policy Reserves
1921	...	$ 135,043	$ 268,048	$ 64,103
1923	...	502,554	1,431,605	1,049,703
1925	...	762,222	2,352,391	1,778,280
1927	...	1,005,762	4,447,655	2,993,047

Capital and Surplus ...	$ 586,060
New Insurance (1927) .	8,550,904
Insurance in Force	36,733,795

Total new business for 1927 showed an increase of 12% over 1926.

YOUR KEY
TO HAPPINESS AND PROSPERITY
A guaranteed pension of $100 a month for life commencing at age 55, 60 or 65.
No matter how long you may live you are guaranteed the full monthly pension.
YOUR PRESENT SAVINGS EVEN IF SMALL WILL BUY YOU A PENSION.
SEND TO-DAY FOR INTERESTING ILLUSTRATED BOOKLET
CONFEDERATION LIFE ASSOCIATION
Head Office TORONTO
FILL OUT AND MAIL
Please send me booklet "Your Key to Happiness and Prosperity"
Name
Address

THE
Wawanesa Mutual Insurance Co.
Canada's Largest Fire Insurance Mutual
Financial Statement for Year Ending December 31st, 1927
ASSETS

Cash, Bonds, etc.	1,075,940.24
Assessments unpaid	56,048.81
Premium Notes unassessed	1,354,258.88
	2,486,247.93

LIABILITIES

Reserve for unearned premiums	
Losses unadjusted	146,300.00
Accounts payable	9,010.35
Surplus for Policy-holders' Protection	7,035.06
	2,323,902.52
	2,486,247.93

AUDITOR'S REPORT
I have to report to the Directors and Policy-holders that I have audited the accounts of the Wawanesa Mutual Insurance Company for the year ending Dec. 31, 1927, and certify that the cash on hand and on deposit is correct. The Bonds and Debentures are in the custody of the Company, in transit or on deposit with the Superintendents of Insurance and acknowledged by them. The Balance Sheet, in my opinion, is properly and correctly drawn to show the financial position of the Company as on Dec. 31, 1927, and agrees with the books of the Company.
C. D. CORBOULD, C.A.
Business in force $134,536,263 — an increase for the year of $8,786,571.00.
Cash Surplus over Liabilities $969,743.64 — an increase for the year of $184,897.64.
Losses paid—1927—$203,907.62.
Bonds on deposit with Government over $500,000.00.
Our Policy-holders can be congratulated on the following wonderful showing:
1. In 1927 we made the greatest gain in cash assets ever made by us in one year.
2. In 1927 we increased our volume nearly 9 millions.
3. In 1927 our loss ratio was only 15-1/6c per hundred dollars of business in force, and only 17-1/5c average for the past three years.
4. In 1927 we collected 91.6 of our assessment before the end of the year—a record.
5. During the past six years we have increased our volume by almost 40% and our cash surplus by over 200%.
Head Office: Wawanesa, Manitoba

Insurance News

(Continued from page 10)

LUMBER FIRMS WARNED AGAINST CASUAL INSURANCE

All Offers Should be Investigated, Says Retail Dealers' Association

A general warning to lumber companies and plants throughout Ontario against the indiscriminate placing of their insurance, has been given in the report of the insurance committee made recently to the Ontario Retail Lumber Dealers' Association. The report stresses the importance of the fact that at the present time the placing of lumber insurance is a matter for very careful selection. To use the words of the report, "Every member of this association should carefully investigate before accepting an insurance proposition which offers, as its strongest argument, the reduction of insurance costs, particularly where such organization is operated on the reciprocal plan, whereby the assured assumes a financial responsibility in excess of his premium."

The report refers, at some length, to the recent exposure by The Financial Post of the methods employed by certain unscrupulous brokers who have been circularizing manufacturers and merchants in Ontario and Quebec. These brokers have been soliciting business which, on investigation, has proved to have been placed with companies that were either irresponsible or else thoroughly unsound and in some cases insolvent. In reference to The Financial Post story, the report says, "On the strength of this article and our concern for the interests of those who might be tempted to entertain a proposition from such a source, we issued a warning to all our lumbermen policyholders. We would strongly urge every member of this association to consult some recognized insurance authority before they allow themselves to become entangled in any scheme for the promotion of a Canadian reciprocal or any proposition of insurance emanating from outside insurance brokers, who are not licensed by the Ontario Insurance Department."

Associated Lumber Mutuals

The report was presented by E. D. Hardy of the firm of E. D. Hardy & Company, Ottawa. This firm acts as attorney-in-fact for the Canadian Lumbermen's Insurance Exchange and also for a number of lumber insurance organizations known as the Associated Lumber Mutuals. The former company — the Canadian Lumbermen's Insurance Exchange —was organized by the lumbermen of Ontario and Quebec in 1915 and as attorney-in-fact for the company, Mr. Hardy has occupied the position of insurance advisor and representative for this group of lumbermen.

In his report, Mr. Hardy states that the Canadian Lumbermen's Insurance Exchange is about to be terminated and that the business which is now on its books, which amounts to something like $1,000,000 at risk, is to be taken over by the Associated Mutual Company.

In regard to the general principles upon which lumber companies should place their insurance, the report points out that in recent years many various types of organizations have entered the Canadian field to offer their insurance services to lumbermen and that whereas in 1915 when the Canadian Lumbermen's Exchange was organized there was a scarcity of facilities in this country, to-day this has entirely changed and has made the problem for the lumber company one of selection, rather than one of finding adequate facilities for writing insurance on lumber risks.

The report states to the members that it is still possible through careful selection to obtain insurance under the mutual plan in comparison with the rates charged by the companies because of the lower loss ratio due to careful inspection service and the reduction in overhead expense. However, it is pointed out that price-cutting in the insurance business, just as in the lumber business, is an exceedingly injurious practice, particularly because with an insurance company any impairment in the financial strength weakens the character of the security.

Superintendent's Report

Quotation is made from the report of the Dominion Insurance Superintendent, which shows an average loss ratio for all Dominion licensees writing lumber risks in Ontario and Quebec during the 5-year period from 1922 to 1926 inclusive, of 71.5 per cent. of the premiums, and on woodworking factories 77.2 per cent. of the premiums. Thus, it is obvious that when the expenses of conducting the business are added to this loss ratio, the existing rates are inadequate to show a profit to the insurer, unless through specialization in improved methods of fire prevention and protection, substantial economies can be effected.

The conclusion is therefore reached that lumbermen should carefully investigate before accepting an insurance proposition which offers as its strongest argument the reduction of insurance costs, particularly where such organization is operated on the reciprocal plan whereby the assured assumes a financial responsibility in excess of his premium. The argument is then put forth that if the best managed mutual companies to-day specializing in insurance on lumber plants and writing this selective class, both in Canada and the United States, cannot reduce their rates, how can any other organization without the same advantages expect to successfully compete in the matter of rates and still provide the same protection for policyholders.

The report concludes with the foregoing warning against the placing of insurance with unlicensed brokers.

Chairman of Mutual Life is Director Waterloo Trust

C. M. Bowman, chairman of the board of the Mutual Life Assurance Co., has been elected a director of the Waterloo Trust & Savings Co.

Insurance Director

C. GORDON COCKSHUTT, of Brantford, who was elected to the Board of Directors of the Dominion Life Assurance Company. Mr. Cockshutt is vice-president of the Slingsby Manufacturing Company, of the Brantford Oven and Rack Company, the Cockshutt Security Corporation, and the Slingsby Silk Company.

BRITISH INSURANCE IS UNDER REVIEW FOR 1927 PERIOD

Favorable 1927 "Fire" Results in Canada. Are Commented Upon

From Our Own Correspondent

MONTREAL.—In view of the fact that there are in Canada some 75 British insurance companies actively engaged in some form of insurance business, there is much of interest in a review of British insurance during 1927 which has recently appeared from the hand of Hugh Lewis, general manager and secretary, Liverpool, London & Globe Insurance Company, Limited.

At the beginning of the article, importance is attached to the two projected insurance purchases which were announced at the close of 1927. The first of these was the "Royal Exchange" offer to purchase the shares of the "Motor Union." This agreement gives the Royal Exchange an outstanding position in automobile insurance. The second amalgamation is that of the "London Life" and "Metropolitan Life"—two mutual societies whose combined assets exceed £18,000,000. Mr. Lewis expresses the opinion that the policyholders of both associations will benefit from the union.

Thirty Groups

Another feature of British insurance which is referred to is the fact that although at the beginning of 1927 there were approximately 300 insurance companies writing fire, accident and marine business with a combined premium income of something more than £135,000,000 all but £10,000,000 of this was written by thirty groups. These figures are indicative of how far the tendency to amalgamation and fusion has gone in Britain in recent years.

The next important point referred to is the phenomenal growth of accident insurance. Although 30 years ago this business was of very limited proportion, today the trading accounts of many prominent companies show accident premiums exceeding or approximating to those of the fire departments. From an income of £2,500,000 in 1897, accident income has grown to a figure in the neighborhood of £60,000,000 in 1927

Referring to automobile insurance, Mr. Lewis attributes to this cause the greater share of the increase in premiums for 1927. In Great Britain the number of automobiles in use—now approximately 2,000,000, doubled itself in the five years from 1921 to 1926 and increasing at about 200,000 annually with no indication that saturation point is in sight. A striking phase of this growth in automobiles is the fact that as a result of this growth, some 300,000 street accidents occur annually in Great Britain and "nearly all the insurance organizations are of service to motor owners, not only in affording indemnity against pecuniary loss, but also in relieving them of the anxiety and loss of time inevitably associated with the negotiation of third party claims."

Workmen's Compensation

Workmen's compensation insurance is referred to as a class of first importance, the premiums amounting to something like £7,000,000 per year. The year, however, has been an uneventful one in which the companies have recovered quietly from the effect of the labor troubles of the previous year.

A significant feature of this continental development is the extension of credit insurance to cover outstanding instalments on goods bought on the "hire purchase" system, principally automobiles and many articles of luxury. This forms a class requiring the utmost underwriting skill and is a distinct addition to the primary object of credit insurance which is to facilitate the granting of credit by merchants and manufacturers.

In Canada, the generally favorable fire results experienced during 1926 appear not only to have been continued, but improved upon during 1927. Some uneasiness has been caused by the action of the governments of the Provinces of Quebec and Ontario in licensing a group of "New England Mutuals," without requiring them to make the deposits generally asked from stock companies, which is at variance with the procedure of the Dominion Insurance Department. In the Canadian casualty field, the competition continues exceptionally keen and the results for 1927 are likely to show but meagre profits.

Immigrants by the tens of thousands will pour into Wetsern Canada during the last two weeks in March and throughout April, with British people predominating, according to a Saskatchewan immigration official who has been investigating the situation.

ALL ROUND RISE HAS BEEN MADE IN HAIL POLICIES

Most Outstanding Increase is Rate Covering Area Around Calgary

From Our Own Correspondent

MONTREAL.—Drastic changes in ratings and commissions in the hail insurance field will be brought into effect this year as a result of the annual meeting of the Canadian Hail Underwriters Association held here last week.

As regards the rates for hail insurance in the Western provinces, the association has left untouched the province of Manitoba but has made important increases in the rates for various parts of Southern Alberta and Southern Saskatchewan. The most outstanding increase is the rate covering a large area around Calgary, Alta., which has been increased to 15%. Most of this area was formerly rated at 10%, although a small part was under a 12% rate. Central Alberta has also come in for a considerable increase in certain localities, although the change is not so general as around the Calgary district. The 15 per cent. rate is the highest that has ever been charged in Canada, for this kind of insurance, 12 per cent. being the previous high level for hail insurance protection.

Turning to Saskatchewan, the biggest increase in rate is shown around the southern parts of the province, the chief centres affected being Assinaboia, and Swift Current, with 1 per cent. increase around Regina. The rest of the province, particularly in the north has been left untouched as far as rates are concerned. Ten and twelve per cent. rates have been introduced in various parts of the southern area where previously the highest rate was 9 per cent.

Another very important change made by the association is in the matter of commissions. Previously the agent who wrote the business received a straight commission of 15 per cent. on the amount of the premium. This system has now been entirely wiped out, with the result that a new scheme called the liability basis has been introduced. Under this new scheme there will be three flat commissions, based not upon premium but upon the amount of the liability, as follows:—First, a commission of 60c per $100 of business written in the 4 per cent. areas; secondly, a commission of 75c per $100 of business written within the 5 per cent areas; and finally a commission of 90c per $100 of business written in the areas where the rate is 6 per cent. or higher.

Thus there will in future, be no piling up of commission in the areas where 10, 12, and 15% rates are in force.

In order to make this point clearer, there follows an actual example of how these new rates will work out. The table shows the old and new rates of commission that an agent would receive on four $1,000 policies sold in the 6, 10, 12 and 15 per cent. areas respectively.

Comparative Commissions on Four $1,000 Hail Insurance Policies

	Old Commission	New Commission
In 6% area	$9.00	$9.00
In 10% area	15.00	9.00
In 12% area	18.00	9.00
In 15% area	22.50	9.00
Total	$64.50	$36.00

LESS MORTALITY AMONGST INSURED IS LATEST REPORT

Deaths From Motor Car Accidents Are Causing Grave Concern

From Our Own Correspondent

MONTREAL.—If American experience can be applied to the Canadian life insurance field, then mortality of the North American Continent showed a tremendous improvement during the year 1927. A report has just been printed regarding the health improvement that was manifest in the United States during 1927, and the information contained therein offers some interesting information on the relation of life insurance to health.

According to the mortality experience of 52 leading life insurance companies which have contributed their records to the Association of Life Insurance Presidents, the mortality among insured persons during 1927 decreased at the rate of about 55 per 100,000 over the previous year. Extending this increase in the death rate to the entire population, the aggregate saving of lives during the year amounted to some 65,000, an enormous economic gain.

It is interesting to note that these data which cover policyholders from all parts of the United States, aggregate about one-third of the entire population, and include both ordinary and industrial death claims. As such, it may be taken as fairly indicative of the current health trend throughout this continent. One particularly significant fact about these results is that the decrease in the death rate is much larger among industrial policyholders than among ordinary policyholders, although of course, the industrial death rate still continues to be much higher than that for ordinary policyholders.

The report considers it a matter for serious concern that notwithstanding the remarkable health record of the past year, there was an unusually large number of deaths from external causes which should be more readily subject to control. In other words, the actual improvement in health, as far as ordinary diseases are concerned, was really much greater than is shown by the figures, because nearly sixty per cent. of the total increase in deaths from all causes was due to causes such as suicides, and deaths from automobile accidents.

This latter is considered to be a serious and increasingly adverse factor in the mortality picture of the United States and deaths from this cause are considered one of the most serious obstacles to the country's life extension efforts.

Throughout 1927 there were 25,460 deaths from automobile accidents as against 23,264 in 1926, an increase in a single year of nearly 2,200 in the loss of human life. This is an alarming rate of increase, and seems to demand vigorous attention from public officials.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other inquiries will be answered by mail. A two-cent stamp should be enclosed to cover a direct reply.

London Life

Would you give me the present quotation on the stock of the London Life Insurance Company, of London, Ont.? I understand that this company has had a very phenomenal growth and also have been given to understand that their old stock has been split up recently. Any further information you can give me on this company would be greatly appreciated and I would like to have a statement of their earnings if possible.

We are unable to find any quotations for this stock as the entire capitalization of the company is privately held, and we believe it is impossible to procure the stock except under very exceptional circumstances.

It is impossible to estimate the exact earnings of a Canadian life insurance company which are applicable to shareholders. Roughly, the law provides that at least 90 per cent. of the profits that are distributed in any one year on participating business, must be paid to policy holders, and the remaining ten per cent. (or less if the company so desires) may be distributed to the credit of the shareholders of the company. In addition to this, the entire profits from non-participating business accrue to shareholders.

The company had a total income for the year 1927 of something over $11,000,000, and issued new business amounting to $85,500,000, which brings its total insurance in force, up to $296,000,000. The company has assets of over $44,000,000 and a policyholders' surplus (including paid up capital $100,000) of $1,852,000. The rate of interest earned on its investments was 6.56 per cent.

The company boasts that in the last twenty-five years it has doubled its business every four years, which is a tremendous growth for a life insurance company, and if you desire further information, I would refer you to The Financial Post, dated December 23, 1927, which contains a complete section devoted to the new London life head office building at London, Ontario.

Toronto Casualty

Kindly let me know if this is a safe company.

Referring to your enquiry regarding the Toronto Casualty Fire and Marine Insurance Company, we believe that this company is perfectly safe and that it is well capable of assuming the $10,000 risk on your Consolidated School Building.

This company has gone through a somewhat hectic period in the last few years, but we understand that it is recovering rapidly, and that the last six months of operation have been very successful ones for the company. The management is exceedingly capable and aggressive, and although this is a non-tariff company, we do not hesitate to recommend it to you.

SOVEREIGN LIFE WROTE $4,300,000 OF NEW BUSINESS

Western Company Now Has $23,750,000 Business in Force

Sovereign Life suffered a decline in new business written during 1927 but closed the year with $23,751,430 in force, an increase of $1,879,892 over the amount in force one year ago. Assets now stand at $4,233,985 and income has passed the million dollar mark, totalling in 1927 $1,034,183. Surplus to policyholders above capital is $170,854. The Company's interest rate of 6.70% is a very satisfactory one in the present condition of the investment market. **Dividends to policyholders** were 40 per cent. in excess of those paid last year, and the mortality experience shows the death claims to be only 46 per cent. of the expected.

Some comparative figures follow:

	1927	1926
Business written ...	$ 4,293,900	$ 4,875,000
Business in force ...	23,571,430	21,691,538
Premium income ...	697,800	743,442
Total income	923,854	1,034,183
Assets	4,233,985	3,792,514
Payments to policy holders	223,636	292,717
Rate earned in investments	6.70%	6.87%

Bright prospects for Quebec orcharding were held out by A. Fulton, head of the market division of the fruit section, Department of Agriculture, Ottawa, before the Pomological Society of Quebec, meeting at Macdonald College.

Insurance Superintendents Issue Conference Report

Acting upon the suggestion of the Canadian insurance companies, the Association of Provincial Superintendents of Insurance, has published the proceedings of their annual conferences covering the period from 1914 to 1926. The volume is divided into two parts, the first part being a resume of the tenth annual conference held at Quebec, and the second part being a resume of proceedings since the inception of the association in the year 1914.

The volume provides an interesting history of the growth of this association and traces the development of uniform provincial laws which has been gradually taking shape in Canada during the last ten years. In spite of serious setbacks and difficulties the association has grown and prospered and has now extended its operations into every phase of insurance life in Canada.

In the foreword to the volume, Henry Brace, superintendent of Insurance, Alberta, and president of the association, reviews the work of the association since its inception and outlines the important achievements that have been accomplished in recent years. At the present time he notes that the association is engaged in two comparatively new tasks; the formulation of uniform definitions of the many classes of insurance, and the attainment of as high a grade degree of uniformity as possible, compatible with local conditions and politics, in legislation and its administration relating to the licensing of insurance agents. Reference is also made to the question of jurisdiction which has figured so largely in the activities of the association. Mr. Brace points out that the jurisdiction problem is really no new thing and that the subject was discussed at length at the conference of the association in 1917.

Mr. Brace predicts that now the proceedings are available in printed form and that in future there will be an annual publication of proceedings, the work of the association should be much more effective and also easier to follow.

Approval Given to Wind Up Old National Cement

From Our Own Correspondent

MONTREAL.—Formal approval for the winding up of the old National Cement Company by the sale of its assets to the new company incorporated in 1925, was given at a special meeting held in Montreal this week.

The assets of the old company consisted of 7,293 shares of preferred and 15,000 shares of common of the new company and the price offered was $90 for the former and $10 per share for the latter. After deducting the outstanding debts of the old company, amounting to approximately $16,000, the preferred shareholders will receive approximately $89 a share and the common about $5 for their holdings. This is stock at present held publicly.

As previously reported, the purchaser of the shares of the old company is Alfred Rogers, owner of the St. Mary's Cement Company, St. Mark's Ontario. The company will in future be operated as a private company, the only investment interest being in the bonds of the company, of which there are approximately $1,450,000 outstanding.

The new directorate is understood to be composed of the following: Alfred Rogers, president; J. P. Bicknell, Strachan Johnston, K.C.; Donald Rogers, John Lind and A. J. Reid.

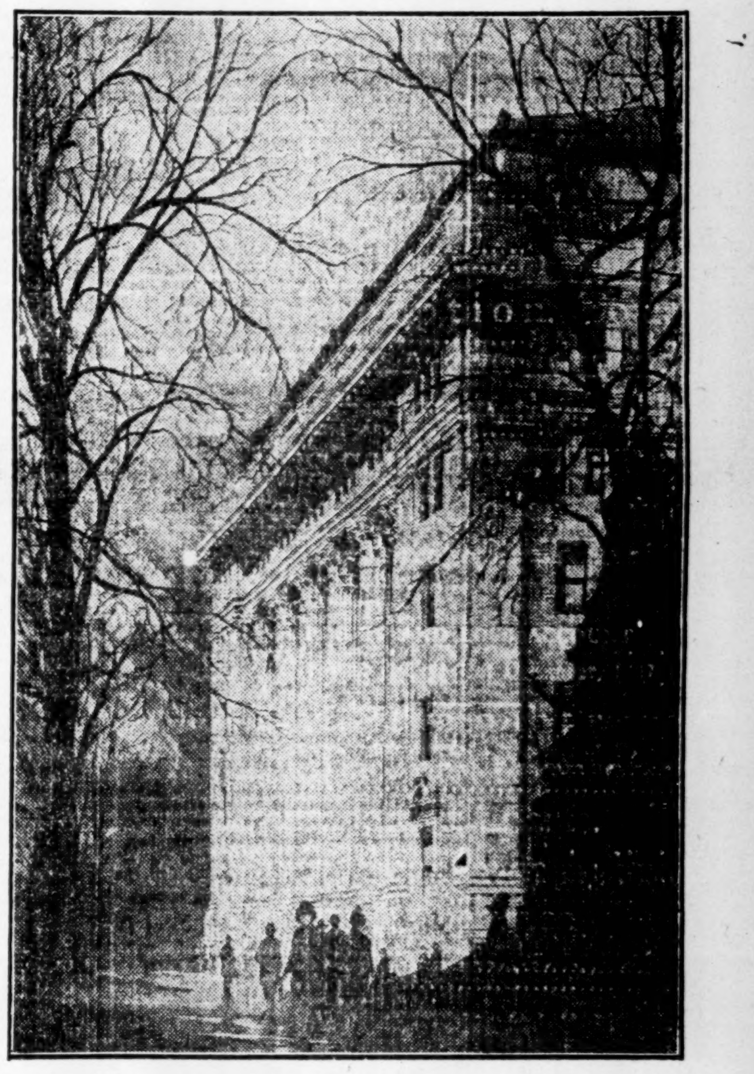
According to the Department of the Interior, 473,952 homestead entries were made between May, 1873, and March, 1927. In the last fiscal year 5,760 homestead entries were granted.

Establishment of a $2,000,000 cold storage plant in New Westminster will be subsidized by the Federal Government.

SUN LIFE ASSURANCE COMPANY OF CANADA

A TOWER OF STRENGTH

1 9 2 7



	$
ASSURANCES IN FORCE (net) An Increase of $231,500,000	1,487,990,000
New Assurances Paid For - - An Increase of $62,518,000	328,408,000
Total Income - - - - - - An Increase of $23,801,000	102,774,000
Payments to Policyholders and Beneficiaries - - - -	42,224,000
Total Payments Since Organization - - - - - -	300,040,000
Reserve for Unforeseen Contingencies	12,500,000
Surplus over all Liabilities and Contingency Reserve - - An Increase of $11,269,000	45,280,000
ASSETS at December 31, 1927 - - - - - - An Increase of $56,054,000	401,305,000

Dividends to Policyholders increased for eighth successive year

EXTRACTS FROM DIRECTORS' REPORT

Substantial advances have been made in all departments during the year. . .

The total net income for the year exceeded one hundred million dollars . . .

The strength and resources of the Company have been further enhanced . . .

The high earning power of the Company's investments has been again demonstrated. The net rate of interest earned on the mean invested assets, after fully providing for investment expenses, was 6.47 per cent. This gratifying result has been made possible by dividend increases, bonuses and stock privileges accruing on many of the Company's holdings.

The wisdom of the investment policy which has been consistently followed in past years, in favouring long term bonds and the stocks of outstanding and very carefully selected corporations, has been once more emphasized. The appraisal of our securities shows that the excess of market values over cost increased during the year by $19,235,889.99. In addition, a net profit of $5,028,033.20 accrued from the redemption or sale of securities which had risen to high premiums.

The quality of the investments listed in the assets is testified by the fact that on both bonds and preferred stocks not one dollar, due either as interest or dividend, is in arrear for even one day, while the dividends accruing to common stocks are greatly in excess of the dividends payable on the same stocks at the time of purchase.

The surplus earned during the year amounted to $38,511,029.67 from which the following appropriations have been made:

$5,000,000 has been deducted from the market value of our securities as a further provision against possible future fluctuations, increasing the amount so set aside to $10,000,000.

$1,500,000 has been added to the account to provide for unforeseen contingencies, which now stands at $12,500,000.

$1,000,000 has been written off the Company's Head Office building and other properties.

$500,000 has been set aside to provide for the greater longevity of annuitants, bringing the total provision under this heading to $2,000,000.

$50,000 has been set aside to provide for claims in respect of total disability as yet unreported.

$11,090,056.61 has been paid or allotted as profits to policyholders during the year. In addition, $6,205,573.00 has been contingently allotted to deferred dividend policies issued prior to 1911, and to five year distribution policies, to provide for profits accrued but not yet payable.

After making these deductions and allocations, $11,269,330.89 has been added to the undivided surplus, bringing the total over all liabilities, contingency account and capital stock to $45,280,896.14.

Your Directors are gratified to announce, for the eighth successive year, a substantial increase in the scale of profits to be distributed to participating policyholders during the ensuing year.

SUN LIFE ASSURANCE COMPANY OF CANADA

Composite Index Reflects Business With Accuracy

Knowledge of Trend of Economic Progress is Possible by Study of Various Factors Which Are Brought Together in General Index

By **SYDNEY B. SMITH**, Ottawa

The usefulness of a monthly index number measuring the trend of the physical volume of general business in Canada is now more apparent than ever. The principle of index numbers by which the general trend is determined as contrasted with multiplicity of movements shown by individual factors, makes the method practically essential to any proper understanding of economic progress. Out of the 26 factors included in the general index used in the monthly business chart of The Financial Post, it is impossible to select one which will adequately serve the purpose in hand. Each of them is subject to irregularities peculiar to the nature of the condition to which it relates. In the general index the effect of these peculiarities is practically nullified with the result that the composite reflects with a high degree of accuracy the ebb and flow of business conditions.

If index numbers are necessary to measure the trend of prices where the dollar is the only unit taken into consideration, it is absolutely essential where the unit varies from bushels to pounds and from board feet to gallons. Even where it is necessary to use factors expressed in dollars, the price element is eliminated.

It is evident that an index of physical volume is more definite than one based on values. We are here dealing with units of physical measurement which belong to a statistical order superior to measures of pecuniary values. Ounces and gallons are concrete units as compared with the dollar with the fluctuations due to the gold supply and other factors.

The merit of the index of general business lies in its efficiency in showing from month to month the actual state of industrial productivity rather than as a mechanical forecaster. The index by currently determining the state of business activity is indirectly of considerable assistance in forecasting the trend several months in advance. Various mechanical forecasting barometers in graphical form have been presented to the business public but none of them have proven entirely successful on every occasion. If a perfect mechanical forecaster were devised, it would relieve the professional adviser of the necessity of interpretation. In view of the many forces affecting the economic progress of a country it is improbable that an infallible barometer will ever materialize.

Establishing Forecasting Sequence

It appears that the line of greatest promise at the present lies in the direction of establishing a forecasting sequence. The business public is now being supplied with statistical information supposedly useful in formulating a speculative policy either as to trading on the stock exchanges or in the conduct of a business which entails extensive commitments for future operations. Is it possible by a scientific analysis of these factors to determine which are the more significant? The problem is to select the leaders in the procession of economic progress. If it can be determined with sufficient accuracy that in the movement from depression to prosperity and from prosperity to depression, certain factors tend to precede the others, the conclusion will furnish a key for disclosing the secrets which until recently have baffled both the economic student and the man of practical affairs. The economist depended on abstract reasoning and general principles while the business man trusted in the trial and error method.

It is only recently that a method was developed which made possible the determination of the forecasting sequence for the interpretation of economic movements. Strange to say, the method was evolved in an effort to solve the mysteries of heredity. It was upon such questions as to whether tall men were apt to be blessed with tall daughters and short men with short daughters that Francis Galton and Karl Pearson pondered and calculated. Through such problems the mathematical process of determining correlation was discovered. Through this method it is possible to sum up in one percentage the degree of relationship of two factors over the whole period for which the data are available. One hundred per cent. represents perfect correlation or identical upward and downward movements over a period. The formula is so devised that the resulting percentages obtained by the process indicate the following degrees of correlation: below 50 per cent. very low; from 50 per cent. to 60 per cent. rather low; from 60 per cent. to 70 per cent. fair; from 70 per cent. to 80 per cent. good; from 80 per cent. to 90 per cent. very good and over 90 per cent. excellent.

Determine Correlation

By adopting one factor as a standard it is possible to determine the correlation between it and the other factors generally regarded as of barometric value. If it is found that low correlation exists between the standard and any given factor the reputed position of the latter is at once called into question. It is thus possible to separate the more promising factors for further investigation.

The utility of the correlation process for the purpose in hand is not restricted to this stage. It is possible by comparing items with a lead or a lag of one or more months and thus establish the extent to which the factor tends to lead or to lag behind the standard. If the correlation in comparison with all other time relationships is best for a lead of two months over the standard, one concludes that the factor tends to move that much earlier in the cyclical procession, and, other things being equal, is of greater barometric value.

In the study of pre-war factors it is customary to use the index of wholesale prices as a standard for comparison with the remaining series. The inflation during the war led to such violent fluctuations that not only did the factor cease to be used as a standard, but for several years barometric readings based upon it were practically abandoned. Although from 1919 to 1921 the correlation with the index of general business when concurrent items were compared was 83 per cent., the fluctuation was very extreme and in later years, especially in 1926 and 1927, the movement was counter to the evidence given by more dependable factors.

Index of General Business

In the circumstances the index of general business was adopted as a standard for the post-war period. In view of the prominence recently given to the statistics of carloadings, a test was recently made of the value of the factor according to the methods described above. By using the monthly data for the tons of freight carried the index was extended to cover the entire post-war period. Even after the usual adjustments for seasonal tendencies and the long term trend, the index shows considerable irregularity which could be reduced somewhat by computing a three months moving average. The best correlation between this factor and the index of general business was found to be for concurrent items, although with carloadings leading by one month the agreement was also good. The correlation for identical months was 78.95 per cent.

The next best correlation was with carloadings leading by one month when the percentage was 78.85 per cent. The factor has merit in indicating the trend of business, but from the nature of the case is subject to considerable irregularity. Part of this is due to the important place among the commodities handled of grain the movement of which is greatly affected by the weather. In spite of the irregularities due in part to the movement of agricultural products, the index is useful for the purpose in hand. This is gratifying as it is about the only physical volume factor of general application which is reported weekly. In view of the inherent irregularity, the weekly statistics need even more careful interpretation than the monthly data.

Another index compared, after adjustments, with the index of general business was employment as reported by the chief employers of Canada. The correlation was good, amounting to 84.5 per cent. This result was obtained, however, when the index of employment was lagged one month, allowing for the fact that the employment index is available at about 15 days sooner than the general business index. The correlation for concurrent items was 80.7 which was also a good fit. Other time arrangements gave lower percentages so that the general business index may be regarded as a barometer of employment. If general productivity is at a high point, there is a likelihood that employment will conform a month or so later.

A very interesting result was obtained by comparing the index of industrial stocks traded on the Canadian exchanges with our standard. It was found that excellent correlation exists between the two factors, the percentage for concurrent items being no less than 92 per cent. Very good agreement between the two indexes ranging from 85 per cent. to 89 per cent. resulted from computations for leads and lags of one and two months. These results indicate that the relation between general business and speculative prices in Canada is much closer than is generally realized and that the speculator will receive great assistance by keeping informed as to the trend of the business curve. During the nine year period after the world war no pronounced movement in either index was shown except sooner or later the other tended to duplicate it.

Another result which shows the interesting developments which accrue to this method was the correlation of the index of industrial production in the United States and the index of general business in Canada. Very good agreement was shown when the index of industrial production in the United States preceded by two months the Canadian index, the co-efficient being 84 per cent. With the United States index leading one month a percentage of 83.2 was shown, while with concurrent items the correlation was 77.5 per cent. This indicates that the trend of industrial production in the United States is much in advance of other factors and tends to precede the trend of physical volume in Canada, the movement of which corresponds closely with that of the index of industrial stocks in Canada. This opens up a fruitful field of enquiry for the purpose of adding to the list of factors which tend to move in the vanguard of economic fluctuations. An examination of the curve of the index of industrial production of the United States indicates that the early movement shown in the computation of the co-efficient of correlation was due in large measure to the early and violent fluctuation in the post-war deflation. This fact detracts somewhat from the value of the index as a barometer in more normal years but it is still worthy of careful study.

Colonial Investment Turns Loss Into Gain

Colonial Investment and Loan Co.'s annual report shows profits in 1927 totaling $9,646, compared to a deficit for 1926 of $4,268. The 1927 earnings were 2.9 per cent. on a capitalization of $344,885. The company appropriated $30,000 from general reserve, bringing that total down to $125,000, and appropriated $15,390 to cover loss on real estate sold and $24,223 to reduce the amount at which real estate held for sale is carried on the books of the company.

Assets include real estate carried at net value of $210,472, agreements for sale, etc., at $380,358 and miscellaneous items bringing the total to $602,758, compared with a total a year ago of $671,326.

The following table shows the progress of this company since 1913:

Year	Paid-up Capital	Profits	Rate of Earnings Earned p.c.	Dividend
1913	$2,448,440	$187,783	8.2	6
1914	2,451,803	178,588	7.3	5½
1915	2,452,868	163,884	7.0	5
1916	2,453,995	154,717	6.4	6
1917	2,455,375	155,479	6.3	6
1918	2,456,402	154,935	6.3	6
1919	2,458,421	136,433	5.5	6
1920	1,250,926	168,990	7.7	6
1921	1,251,382	69,425	5.5	6
1922	647,988	40,680	6.3	6
1923	648,330	12,285	2.0	6
1924	648,535	31,441	5.0	6
1925	345,652	20,044	5.8	6
1926	345,887	x4,268	..	6
1927	344,885	9,646	2.9	..

xNet loss.

E. A. PIERCE & CO.

Members
New York Stock Exchange

ANNOUNCE

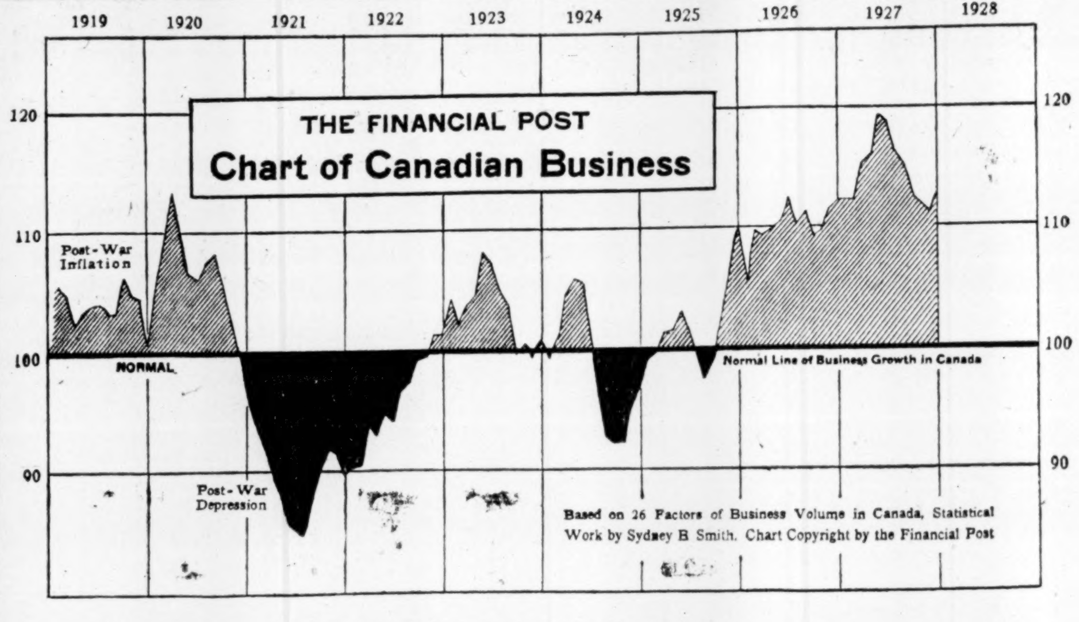
the Removal of Their Office from

53 KING ST. WEST

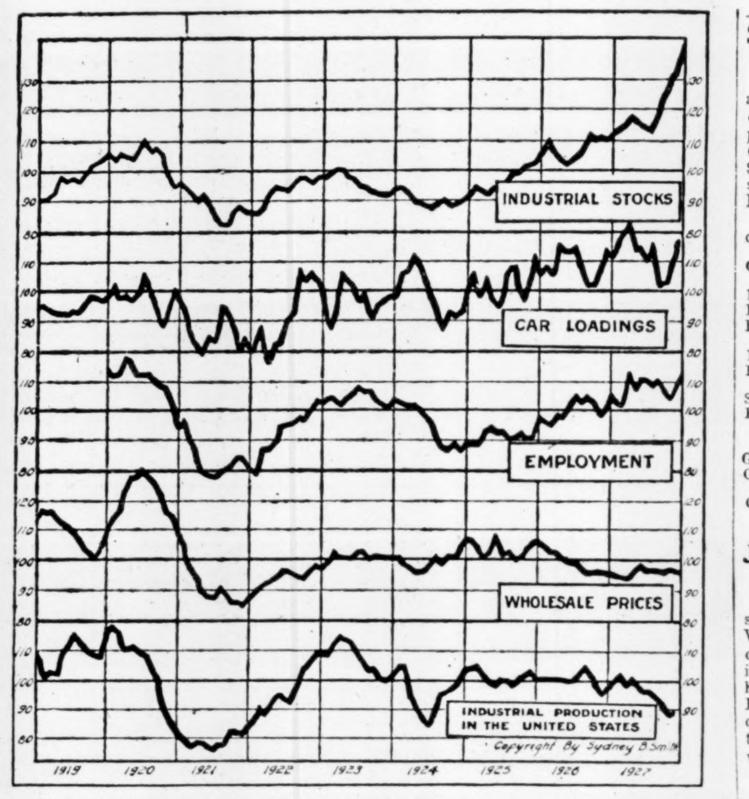
to more commodious premises in the

OSLER BUILDING

Southeast Corner Jordan and Melinda Streets
TORONTO
New Telephone No. ADel. 8062



Based on 26 Factors of Business Volume in Canada, Statistical Work by Sydney B Smith. Chart Copyright by the Financial Post



Copyright By Sydney B Smith

The chart shows five curves based on indexes. The indexes were adjusted for seasonal tendencies and for the long term trend. The long term trend is represented by the 100 p.c. line, and variations from this base are shown. The close relationship between the indexes may be easily detected by an examination of the chart.

The chart may be compared with the upper one showing the general trend of Canadian business The relationship is evident.

New Canadian Companies Can Become Ultra Regal But Never, Never Royal

Using the word "royal" in designating a company is encroaching on the prerogatives of the royal family, in the opinion of the secretary of state for Canada, and it has been the policy of the department for several years to decline to sanction company names of this kind.

By supplementary letters patent, Hilton Bread Co., an Ontario company, obtained permission from the provincial secretary to call itself the Royal Bakeries, Ltd. But the Dominion secretary of state ruled otherwise. So the Hilton Bread Co. has become the Regal, not Royal, Bakeries, and its manager reports a 67 per cent. increase in production in the four months that the company has been under the new management in Toronto.

Banks, trust companies, baking powders and country hotels have been receiving the name of Royal for generations, apparently without objection from royal quarters. The source of the objection which led to the present policy has not been learned, but the conclusion is inescapable that those institutions safely Royal already, will in time, become a most exclusive, if not truly royal coterie.

Investment Buyers' Union is Proposed for Canada

Formation of an investment buyers' association is mooted for Canada. The purpose would be to prevent duplication of much statistical and analysis work by large institutional investors such as insurance companies, investment trusts, etc.

At the present time these institutions have been required each to set up a comprehensive department to investigate securities, compile statistical records and make ratings. A great deal of effort is involved also in keeping the information up to date after securities have been purchased. The same work is being done by many departments in different companies throughout the country.

The investment buyers association would act as a clearing house for this type of work. Its analyses of corporation and other investments would be available to all members, It would maintain a central statistical file from which information could be extracted at will.

Also the association would be able to voice united commendation of, or protest against, refinancing and other proposals in which the different institutions would be interested.

The Dominion Mortgage and Investments Association now does somewhat similar work in regard to mortgage and municipal investments. The Investment Buyers Association would be more directly an influence in corporation investments.

One of the large insurance companies is understood to be developing interest in the plan.

A. E. Pearce & Co. Offer Regal Bakeries Common

A. E. Pearce and Co. are offering part of the unsold balance of the no par common shares of the Regal Bakeries, Ltd., at $7.50 a share.

This company, formerly known as the Hilton Bread Co., was established in Toronto about 29 years ago. Until recently, when the management was taken over by new interests, the company operated in a small way. In a recent four-month period the company showed an increase in production of 67 per cent. and placed an additional five routes in operation. As these are established, it is the intention of the management to extend to other sections of the city.

In addition to the usual line of breads, cakes and rolls, the company has secured the rights to Eastern Canada for the manufacture and sale of Dr. Middleton's products, which, under a process of "ironization," add certain qualities to the flavor of the bakery products.

Up to date, the company has been making satisfactory progress, but it is said that it will be some time before the common shareholders participate in the profits, any surplus being put back into the company.

INCREASED PROFIT SHOWN FOR YEAR BY SIMPSONS LTD.

Dividend on Common Stock is Increased $5 Per Share

Annual report of Simpsons, Ltd., and constituent companies, shows combined net profit from operations, after all expenses, of $2,773,856, compared with $2,501,788 for the previous year. The dividend on the common stock of no par value is being increased to $5 the share, compared with $4 the share in 1927 and $3 the share in 1926.

Dividends on the 6 per cent. preferred stock of the Robert Simpson Co., interest on the 6½ per cent. collateral trust gold bonds, dividends on Simpsons, Ltd. stock, dividend reserve and contributions to employees' profit-sharing fund, etc., required $1,642,353, of the accumulated surplus of $4,424,713, the accumulated surplus thus becomes $2,782,359, compared with $1,650,856 the previous year.

Earnings are $22.26 per share of common stock after payment of Robert Simpson preferred and Simpsons, Ltd., bond interest. This compares with $19.46 for 1926 and $13.15 the year previously.

There are some significant changes in the consolidated balance sheet. Merchandise, receivables, cash, etc., are up from $10,043,938 to $10,747,731, and investments in government bonds and other securities are up from $1,140,481 to $1,850,884. Current liabilities in the meantime, have increased more moderately, standing at $2,950,429, compared with $2,540,845. Working capital is now $9,648,186, compared with $8,643,547 a year ago. Total assets of the company are up from $25,182,517 to $27,055,642.

Year ending Feb. 1.	1927-8	1926-7	1925-6
Profits	$2,773,856	$2,501,788	$1,933,193
Interest	346,797	354,400	308,000
Tax reserve ..	231,803	242,050	208,800
	2,195,256	1,905,338	1,416,393
Pref. div. ...	201,000	201,000	251,250
Com. div. ..	......	......	58,625
Div. on no par val. stock ..	500,000	400,000	250,000
Res. for bonus	362,753	280,000	230,000
Surplus	1,131,503	1,024,338	626,518
Prev. bal. ..	1,650,856	626,518	......
	$2,782,359	$1,650,856	$ 626,518

Standard Clay Profit Shows Slight Decrease

Standard Clay Products in 1927 had a net profit of $21,098 after interest, depreciation and taxes, compared to profits of $31,028 the previous year. Goodwill written off to the amount of $50,000 a year ago has been restored to surplus because of objections of the Dominion income-tax authorities.

The comparative profit and loss account for the last two years follows:

	1926	1927
Oper. profit	$130,797	$119,027
Less bond int.	45,000	45,000
Less deprec.	54,769	51,244
Prov. tax	.....	1,683
Net profits	31,028	21,098
Dividends	15,000	.....
Surplus for yr.	16,028	21,098
Previous surplus	70,824	36,852
	86,852	57,950
Goodwill written off	50,000	.....
Goodwill restored	.....	50,000
Carried for'd.	$ 36,852	$107,950

Jantzen Knit to Move Soon Into New Factory

Jantzen Knitting Mills of Canada soon will move into its new building at Vancouver. The factory is said to be one of the most modern knitting mills in Canada and is patterned after the home plant of the Jantzen company in Portland, Ore. It is believed that production costs will be minimized under the efficient manufacturing conditions which will prevail.

Harley, Milner & Co.

(Members Toronto Stock Exchange)

Announce

their removal to new and larger offices

The entire Fourth Floor

ATLAS BUILDING

350 BAY STREET

We are now enabled to offer our clientele greatly improved facilities

INVESTMENT SECURITIES

Private wire connections to principal financial centres

TORONTO
350 Bay St.

LONDON
Peoples Loan Bldg.

WINDSOR
Security Bldg.

F6

The Protective Association of Canada

Established 1907

BALANCE SHEET

as at 31st December, 1927

ASSETS

Cash in Banks and on hand	$ 55,592.29	
Cash in Agents' hands for Travelling Expenses	351.67	
		$ 55,943.96
Agents' Net Balances for Outstanding Premiums......		11,321.77
Bonds and Debentures at Book Value.......	$217,168.69	
Accrued Interest thereon	2,760.11	
		219,928.80
Office Furniture		1,963.09
		$289,157.62

LIABILITIES

Claims Outstanding — known or reported, proof not fyled:		
Accident	$ 14,128.56	
Sickness	20,497.98	
		$ 34,626.54
Accrued Salaries		2,483.30
Reserve for Taxes		6,500.00
Reserve for Unearned Premiums—100%............		94,991.84
Capital Stock:		
Authorized	$ 50,000.00	
Issued—fully paid		50,000.00
Profit and Loss Account:		
Balance per Statement attached		100,555.94
		$289,157.62

E. E. GLEASON,
President and General Manager.

J. G. FULLER,
Asst. Mgr. and Secretary.

Audited and found correct.—RITCHIE, BROWN & CO.

Clean Sweep Effected of National Fire Board

From Our Own Correspondent

WINNIPEG.—A clean sweep of the directorate of the Canada National Fire Insurance Co., featured the annual meeting held last week in this city. E. F. Hutchings of Winnipeg was elected the new president, and Henry Sandison, and T. S. McPherson, vice-presidents. The new directorate is as follows: L. H. Leavens, Stonewall; E. F. Hutchings, Henry Sandison, F. W. Sparling, J. G. Mundie, Harry E. Turnbull, Eugene Carey, John Hamilton, S. W. Campbell and E. H. Hebb, all of Winnipeg; T. S. McPherson and Cecil H. Branson, both of Victoria; Jonathan Rogers, Vancouver; F. S. Selwood, Calgary; Francis N. Darke, Regina, and D. M. Sanson, Toronto.

The old directors were not present at the meeting which is considered to entirely vindicate the action brought by L. H. Leavens, of Stonewell, Man., against the company's directors, a year ago. More than 60 per cent. of the capital stock of the company was represented at the meeting. The company is at present being operated under a receiver and manager, W. S. Newton, who was appointed by the courts as a result of the action instigated by Mr. Leavens.

Considerable optimism seems to prevail among the shareholders who were unanimously of the opinion that the company should carry on in business.

With the coming into being of the new directorate, the long process of litigation that has been instigated against the old directorate, is finally wound up.

City and District Bank Reports Record Year

Shows Increases Under Every Heading in Financial Statement

Speaking at the annual meeting of the Montreal City and District Savings Bank, which was held at the head office of the Bank on Monday last, the Honourable Raoul Dandurand, president, in supplementing his printed address to the shareholders, said: —

PRESIDENT'S REMARKS

Gentlemen: —

I am privileged to present again this year a statement with which I think you have reason to be well satisfied. It shows steady progress in every line of our activity and further strengthening of an already very strong position.

Our deposits have climbed to a new high of almost $58,000,000, which are guaranteed by liquid assets of over $61,600,000, almost $1.07 for every dollar on deposit with us. The number of our depositors has also increased considerably during the year and we have added another link to our chain of branches by the opening of a new branch on Masson Street and securing premises for another on St-Denis Street North. As you will note, our total assets make a new record at almost $63,000,000 and, notwithstanding the falling off in rates of interest obtainable, our net profits have been the best in our history.

Our subscribed capital is now almost entirely paid, many of our shareholders having paid the last instalment in advance, and we have added $104,000 during the year to our undivided profits.

All our assets, which are of the choicest quality, are carried on our books at conservative figures under market value, so that the shareholders' interests are perfectly safeguarded whilst the security which the Bank affords its depositors is absolute.

With the exception of the temporary quarters occupied by our new branch on Masson Street, all our premises are owned by the Bank and are carried on our books at less than 50% of their assessed value.

THE MONTREAL
City and District Savings Bank

81ST ANNUAL REPORT 81ST

MONTREAL, FEBRUARY 13TH, 1928.

TO THE SHAREHOLDERS:—

Your Directors have pleasure in presenting the eighty-first Annual Report of the affairs of the Bank and the result of its operations for the year ending December 31st, 1927.

The net profits for the year were $319,382.54, and the balance brought forward from last year's profits account was $35,507.85, making a total of $354,890.39. From this amount have been paid four quarterly dividends to our shareholders; $3,500.00 has been contributed to various charitable and philanthropic Funds—independently of the sum of $10,200.00, interest on the Charity Donation Fund, distributed as usual, leaving a balance at the credit of Profits account of $139,578.79 to be carried forward to next year.

As usual a frequent and thorough inspection of the books and assets of the Bank has been made during the year.

The report of the Auditors and the Balance Sheet are herewith submitted.

GENERAL STATEMENT
DECEMBER 31ST, 1927

LIABILITIES

To the Public:		
Deposits bearing interest	$57,743,703.80	
Deposits not bearing interest	147,467.29	
Charity Donation Fund	180,000.00	
Other Liabilities	732,341.06	
		$58,803,512.15
To the Shareholders:		
Capital Stock (Amount Subscribed $2,000,000.00) paid up	1,858,700.00	
Reserve Fund	2,000,000.00	
Balance of Profits carried forward	139,578.79	
		$3,998,278.79
		$62,801,790.94

ASSETS

Cash on hand and in Chartered Banks	8,121,528.77	
Dominion and Provincial Government Bonds . . .	21,571,863.61	
City of Montreal and other Canadian Municipal Bonds and Debentures	22,661,318.13	
Bonds of Canadian School Municipalities . . .	77,126.84	
Bonds of Canadian Public Utilities Corporations . .	1,722,450.00	
Foreign Government Bonds	10,000.00	
Sundry Securities	200,000.00	
Call and Short Loans, secured by collaterals . . .	7,060,603.68	
Charity Donation Fund, invested in Dominion and Canadian Municipal Securities approved by the Dominion Government	180,000.00	
		$61,604,891.03
Bank premises (Head Office and Branches) . . .	1,170,000.00	
Other Assets	26,899.91	
		1,196,899.91
		$62,801,790.94

On behalf of the Board,

R. Dandurand
President.

A. P. Lesperance
General Manager.

AUDITORS' REPORT

Having obtained all the information and explanations we have required, and having satisfied ourselves of the correctness of the Cash Balances and examined the Securities held against the money at Call and Short Notice and those representing the investments of the Bank, and having examined the foregoing Balance Sheet and compared it with the Books at the Head Office and with the Certified Returns from the Branches, we are of opinion that the transactions of the Bank have been within its powers and that the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs, as shown by the Books of the Bank.

A. CINQ-MARS, C.A.
C. A. SHANNON, L.I.A. } *Auditors.*

Montreal, January 9th, 1928.

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXII. Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, FEBRUARY 17, 1928 10c. a Copy; $5.00 a Year No. 7

BUSINESS BUREAU IS TAKING FORM NOW IN MONTREAL

Definite Scheme Will be Brought Into Effect Almost Immediately

NO MORE TIPSTERS

Deputation to Proceed to Quebec to Obtain Provincial Government Support for Project

From Our Own Correspondent

MONTREAL.—The financial section of Montreal's Better Business Bureau, for weeding out undesirable financial organizations is taking definite form this week following endorsation by the three important organizations which are sponsoring this move on the part of Montreal's investment bankers. The three organizations who are behind this project are the Canadian Investment Bankers' Association, the Montreal Stock Exchange, and the Montreal Curb Market.

The definite scheme which will be brought into effect almost immediately, includes the formation of a "financial" section of a Better Business Bureau operating in Montreal, which will have for its object the extermination of high-pressure "brokers" and tipster organizations which are known to be of an unsound or undesirable character.

The move started some time ago, when conditions began to be acute in the city due to the operations of these highly undesirable additions to Montreal's business section. The Canadian Bankers' Association sponsored the creation of a joint committee, representing the investment bankers of Montreal, the Montreal Stock Exchange, and the Montreal Curb. This committee composed of six men made a very thorough examination of the whole situation, including a trip to New York, where they investigated in detail the operation of the National Better Business Bureau of the United States, and also the New York Better Business Bureau.

Clearing House

The former organization is in reality a clearing house for all sorts of information regarding the operation of shady financial houses in all parts of the United States, and heads up in this way the 48 local bureaus which have been formed all over the United States.

In New York, the committee found that the whole question had been studied very thoroughly by the New York Stock Exchange, with the result that that body has voted the sum of $100,000 for the creation of a Better Business Bureau in that city. The size of the donation may serve in some degree to measure the importance that the New York brokers place on an organization of this nature. The New York Bureau is being operated with considerable success under the joint control of the Stock Exchange and the Investment Bankers' Association.

An interesting commentary on the National Bureau, and its activities, is the fact that when its manager was shown a list of some 60 Montreal firms who are of doubtful character, he immediately recognized no less than 40 firms as having been mixed up with one or other of the United States Bureaus.

Separate Sections

One of the most important lessons that the committee brought back from the United States is the fact that invariably the best method of operation has been to divorce the financial section of the Bureau, from the mercantile section. Thus Montreal will have one Bureau, which will in reality be divided into two distinct sections, the one covering mercantile activities, and the other financial. The mercantile section has already been in operation in Montreal with considerable success.

Already the report of the committee favoring the creation of a financial bureau, has been adopted by two of the sponsoring organizations, and the third, the Montreal Curb, is expected to place the seal of its approval on the undertaking this week. On Friday of last week, the Montreal Stock Exchange showed its approval and voted $7,500 annually to the support of the scheme. Then this week, the investment bankers approved, but as they are a national organization covering all of Canada, the 20 or more investment houses which were represented at the meeting unanimously agreed that their firms should contribute individually to the support of the project. In addition, the American investment houses which maintain offices and wire connections in Montreal have signified the intention of supporting the undertaking.

Deputation to Quebec

The next move towards the creation of the bureau will probably be through a deputation at Quebec, which will urge upon the provincial government the need for support. This support will probably be asked in two ways, first by direct financial aid, and secondly, by legal assistance which will place a Crown prosecutor at the disposal of the organization whenever they bring a true bill against the offending broker. Thus, it is hoped that the bureau will only have to undertake very preliminary proceedings against the companies, and that having started the ball rolling, the case will be prosecuted to its conclusion by the Crown.

Another problem which will of course have to be faced by the bureau will be the appointment of a manager who will be competent to organize and carry on this work. Legal training is considered an essential for the position, and much will depend upon the type of man chosen. The manager, once he is appointed, will be under the direct control of the three sponsoring organizations, who will probably appoint a board of six directors to control the destinies of the new project.

Manitoba is Battleground Where Wheat Pool Fights United Grain Growers

Recently Two of the Farmers' Organizations Merged But Farm Movement is Still Weakened by Commercial Connections

By HON. ERNEST C. DRURY,
Former Prime Minister of Ontario

The United Farmers of Manitoba, like its sister organization in Alberta, has suffered a serious loss of membership, and now numbers little more than 5,000. Several reasons may have contributed to this result, and it may be partly true, as Henry Wise Wood has said, that just now there is a sort of natural resting-time after the intense activity of the past few years. In my opinion, however, the decline, particularly in Manitoba, may be traced to causes much more concrete in their nature.

Difference of Views

The U. T. M. is the battle-ground of two contrasting systems of co-operative marketing. The United Grain Growers, which this year celebrates its twenty-first birthday embodies one ideal, and the Grain Pool another, totally different. The strife is bitter, and its results are very damaging. Whether conflict is necessary or advisable is another question, which a brief review of the two systems may help to elucidate.

The U. G. G. formerly the Grain Growers' Company, was founded in 1907, with a very definite object in view. The whole west was complaining of a practical monopoly of the elevator companies and the grain trade and the actual producers felt that they were at a deadly disadvantage. Indeed, it was largely as a protest against these conditions that the whole Farmers' Movement in the West came into being. As a remedy it was proposed to form a company, owned, controlled, and managed by farmers, whose policy should be guided by one simple principle,—a square deal for the grain grower. The Grain Growers' Grain Company was the result.

Has Carried Out Objects

There can be no doubt that during its long life this company has fulfilled, to the utmost, the purpose for which it was created. It broke the grain monopoly. It has given everywhere, sympathetic and favorable treatment to the farmers. Through a provision of its by-laws to the effect that its shares could only be held by actual owners or operators of farms, it has though showing immense profits, remained the possession of the people of the land. Its profits have been widely spread, going back in dividends to some 30,000 shareholders scattered across the Prairies. It has done more than this. It has in some matters set an example to the trade; so that the conditions it was designed to remedy have disappeared, to the great advantage of the prairie farmers.

Runs Farm Paper

Further, it has been helpful in a dozen other ways. It founded and supported the Grain Growers' Guide, for many years the only organ of the Western farm movement. This paper has had a tremendous influence, which has been used always in the farmers' defense. It now has a circulation of more than 110,000. The U.G.G. has contributed liberally to the provincial farmers organizations, and has aided in the support of the Canadian Council of Agriculture, a body which on more than one occasion has done valiant service in the cause of the farmers.

The U.G.G. was not, however, operated on strictly co-operative principles. It was simply a very successful joint-stock company, owned by farmers, its policy dictated by fairness and justice, and friendly to the farmers' cause generally. It paid no patronage dividend on the wheat it handled, and required no contract from the grower of wheat. It had, in short, none of the characteristics of the modern co-operative pool, as taught by Aaron Sapiro.

Much Ill-Feeling Now

When in 1923, the pool idea swept across the prairies with an almost religious fervor, it was perhaps to be expected that a certain amount of antagonism would be developed toward the older system of marketing, even when that system was in the hands of so friendly a body as the U.G.G. At any rate this is what happened, and the ill-feeling so begun has grown in intensity ever since, until now it amounts to abreast a condition of open war. To me it appears a most regrettable and wholly unnecessary thing. Three things I think are clear. First, that the Pool is not likely, in any reasonable time, to control all the wheat in Manitoba or the West. Second, that it would not be a healthy condition if it did, and third, that so long as it does not, there is a place and a use for just such a company as the U.G.G. If I am right in these conclusions it would appear that friendly and helpful relations should be maintained between the Pool and the U.G.G. It is perhaps, worthy of mention here, that, at its inception, the U.G.G. appears to have been friendly to the pool, and that the antagonism has been developed by the latter.

Manitoba Sees Conflict Peak

This conflict reaches its zenith in Manitoba. In Saskatchewan it is less violent, and in Alberta almost friendly, and even helpful relations have been maintained.

At any rate, the effect of this strife on the United Farmers of Manitoba has been most harmful. The strife was apparent at every stage of the recent convention. The U.F.M. has for years, been partly financed by a grant from the U.G.G. It was claimed, at the recent Portage convention, that because of this, the U.F.M. was controlled by the U.G.G. This was emphatically, and I think truly, denied. As a remedy, and to balance the condition complained of, it was proposed that the Pool should also come forward with a similar grant. President Burnell, of the Pool, agreed to a grant, but only on condition that the U.G.G. grant should be discontinued. The Convention was apparently fully seized of the danger to the organization of the present condition of conflict, and finally decided to forego, any grants from commercial bodies, whether the Pool, or the U.G.G.

Merge Two Organizations

For the same reason also, the Convention decided to unite the U.F.M. and the Manitoba Branch of the new organization which has come into being in Saskatchewan, the United Farmers of Canada, of which I shall write later. One of the cardinal principles of the last named body is that no grants shall be accepted from commercial organizations, all funds being raised by membership fees.

The farmers of Manitoba seem to have correctly diagnosed the cause of their present weakness, and to have applied appropriate, if heroic remedies. The heart of the movement is sound, and it is not too much to expect that in the near future, it will return fully to its former strength.

No One Dominant Figure

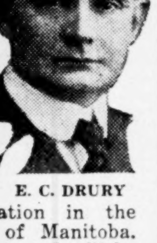
Meanwhile, in several most important aspects, the situation in Manitoba stands out in striking contrast to that in Alberta. In Alberta there is evident the strong control of one outstanding figure—H. W. Wood. In Manitoba, though the recent Convention was ably handled by the president, Mr. Poole, no one man, or group of men, dominates. In Alberta, the Provincial Government and the U.F.A. are Siamese twins, the interests of each being inextricably bound up in the other. In Manitoba though, the farm organization gave birth to a Government, and still feels toward it a friendly parental interest, the latter has lived its own life, gone its own way, and seeks its own support, on the merits of its administration, from all classes of people. In Alberta, the Government practically moved down from the capital. Edmonton, to attend the recent U.F.A. convention in Calgary. In Manitoba, Premier Bracken was to have attended an evening session of the convention, and being unable to do so, through illness, his place was taken by his Minister of Health, Dr. Montgomery, who spoke on a subject entirely unconnected with Government policy. In Alberta, aside from matters of local or provincial interest, the only outstanding question was that of Group Representation, and discussion of the great issue which, more than any other has engrossed the attention of farm organizations for twenty years, — the protective tariff,—was conspicuous by its absence. The Manitoba convention was not at all concerned with changing the present British system of government, but its opposition to Protection was as uncompromising as ever, and tariff matters occupied a fair share of its time.

Is Sound Organization

The Manitoba farmers' organization, in spite of the difficulties which surround it, is sound at heart, strong, virile. I heard it said that it lacked leadership, that most of its leaders had gone from it, into the Government, or the U.G.G., or the Pool, but as I listened to the Convention I noted the honest intelligent men and women of which it was composed I felt that even if, for the time, it lacked leadership, it did not greatly matter, that here was a body of citizens that would face its problems courageously and wisely, and somehow arrive at the right decision; that, when the time was ripe its leaders would be produced, as they have been in the past, from within itself.

This is the Third of Drury Articles

Hon. Ernest C. Drury is writing for The Financial Post a series of articles on the farm movement in Canada, based on what he saw in Western Canada during a recent trip taken on behalf of this paper. Two articles have already appeared. This one tells of the interesting situation in the farmers' bodies of Manitoba. Shortly the wheat pool will be discussed in four striking articles.


E. C. DRURY

Mr. Drury, in these articles, expresses his own views and has not been asked to conform to any editorial views of The Financial Post.

CASE PLOW BUY SMALL PURCHASE FOR MASSEY CO.

Wallis Tractor is Principal Asset Acquired From Racine Concern

Acquisition of the Case Plow Works, Inc., Delaware corporation, by the Massey-Harris Co., is another step toward rounding out the line of the Massey-Harris Co. The purchaser has been selling agent throughout the world for the Wallis Tractor, manufactured by the Case Plow Works at Racine, Wis. This selling agent, established a year ago, was accomplished by an option to purchase. After a year's sales experience and after careful investigation of other farm tractors, the option has been exercised.

Purchase of the company is not a major operation for Massey-Harris Co. and there will be no additional financing. The Case Plow Works balance sheet for the year ended August 31, 1926, the latest available, shows total assets of $3,931,475. Massey-Harris assets, on the other hand, run to more than $50,000,000, of which $33,000,000 or thereabouts represent working capital.

Case Plow Works balance sheet for year ending August 31, 1926, is:

Assets	
Plants and properties, less reserves	$1,569,684
Goodwill, tracings, etc.	3
Investments	1,000
Cash	399,228
U.S. government bonds	105,797
Notes and acc. receivable	723,770
Trustee funds for bond retirement	10,824
Inventories	1,112,588
Prepaid items	8,311
	$3,931,475
Liabilities	
Common stock	$ 876,791
Preferred stock	1,666,800
Funded debt	1,111,200
Contingency reserve	30,561
Current liabilities	118,105
Surplus	128,018
	$3,931,475

Massey-Harris Co. makes no announcement as to what price has been paid for the property or in what manner payments are to be made. As the company buys all of the outstanding stock of the company, a certain amount of cash will change hands, for the first-mortgage 5 per cent. bonds and the preferred stock were issued in 1925, on the reorganization of the company, in settlement of claims of bank creditors and claims of the Illinois Steel Co. against the predecessor company. Twenty per cent. of these claims were settled in bonds, 30 per cent. in Class A preferred and four shares of class B stock for each Class A stock so issued. The sinking fund is 20 per cent. of the net earnings after depreciation and taxes. The bonds and preferred stock are callable at par and interest on 30 days' notice.

The company earned $7.68 per share of Class A preferred in 1926. No later figures are available. The previous year the deficit was $765,591.

The J. I. Case Plow Works, Inc., is not connected in any way with the J. I. Case Threshing Machine Co., the head office and principal plant of which also is at Racine, Wis. The threshing machine company ranks with the first two or three agricultural implement companies on this continent. The company has gross assets of $36,000,000 and working capital of $19,000,000 and is without funded debt. Originally both companies were owned by Jerome I. Case, but for some reason that is largely forgotten the plow works and the threshing machinery business were separated about 1876, after operating as an entity for 34 years. There was a reorganization, with a Delaware charter, in 1919, and a second reorganization in 1925.

The plant at Racine, according to officials of Massey-Harris Co., is modern in so far as the manufacture of Wallis Tractors is concerned, but is not new in so far as other manufacturing operations are involved. It is not stated as to whether any part of the plant will be modernized at this time. Manufacture of the Wallis Tractors will be continued at Racine, but it will be recalled that Massey-Harris Co. owns the Verity Plow Works at Brantford, Ont.

Secrecy Surrounds Lake of Woods Rumor

There is the possibility, if not the probability, that the Lake of the Woods Milling Company has bought Mackay's Bakery in Windsor, Ontario. The Windsor Bakery recently changed hands. Secrecy surrounds the whole transaction. While the deal has been concluded for a sum involving something under $100,000, the name of the purchaser has not yet been disclosed. All of which indicates that the Lake of the Woods Milling is interested in the property for it is known that the large milling company from time to time in an endeavor to widen the domestic market for its output, has purchased several bakeries in different territories.

New Books

Canadian Trade Index, 1928

The fourth annual issue of the Canadian Trade Index is just off the press. From a small handbook published many years ago, irregularly, and in many different forms, the 1928 edition has grown into an 885 page book. A special feature of the 1928 edition is a new 54-page Special Export Section, provided by the Department of Trade and Commerce of the Dominion Government.

The main object of the book is to provide all buyers of Canadian goods, in whatever country they may be, with a dependable list of the articles made in Canada and the names of the manufacturers making them.

The publication of this book, the only one of its kind in Canada, containing as it does the names of members and non-members alike, is one of the many general services rendered by the Canadian Manufacturers' Association to the manufacturing community and the business public at large.

DURANT PLACES DIVIDEND LEVEL AT FORTY CENTS

Declaration on Stock Announced by Canadian Company

The expected dividend on stock of Durant Motors of Canada was announced this week. The rate is 40 cents annually and the payments will be quarterly. The bid price for the stock among dealers in unlisted securities is $4 so that the dividend is equivalent to 10 per cent.

This stock was sold to the public in 1922 in units at $10, $12.50 and $15 the share, so that in relation to capital, the rate is either 4 per cent., 3.2 per cent. or 2.5 per cent.

There are three new Star-Durant cars on the market and, according to reports of officials of the company, the outlook for the current year is excellent in the Canadian market, while it is hoped that the company will be able to hold that portion of the export market which it won in 1926 and 1927.

Pyke Forms Trade Bureau

A. C. Pyke, formerly secretary treasurer of National Grocers Co., has established a Trade Association Bureau at 28 Scott Street, Toronto. His organization will give manufacturers and others, an experienced, independent service to assist them in dealing with problems affecting their industry and adjust differences that may arise.

Prior to joining National Grocers Co. Mr. Pyke as secretary of the Canadian Wholesale Grocers Association (to which position he has been re-appointed) was to a large extent responsible for needed legislation dealing with grocery products.

TO OPEN TWENTY STORES

The Chicago venture of Loblaw's will involve the opening of twenty stores simultaneously within the next month, it is stated. The American company already has 25 groceterias operating, principally in Buffalo and smaller cities in Western New York.

Quebec Power Reports Substantial Increases in All Its Activities

Investments in Subsidiary Companies' Securities Increased by $3,000,000

$16,364,000 ASSETS

1927 Net Revenue Equalled $2.14 Per Share on No Par Value Issue

From Our Own Correspondent

MONTREAL. — Substantial increases in both net and gross earnings due to increased business activities in all parts of the company's territory, is an important feature of the current report of the Quebec Power Company Limited covering the fiscal year which ended December 31. By the acquisition of properties during the year the company has also increased its investments in the securities of subsidiary companies by some $3,000,000. Figuring earnings on a per share basis, the net revenue for 1927 was equivalent to $2.14 per share on the no par value stock. Because of increased capital expenditure, advances to subsidiaries, and purchases of property, the company's working capital was materially reduced during the year, standing at $230,997 as compared with $837,354 at the end of 1926.

A feature of the annual meeting was the announcement that the Quebec Railway, Light, Heat and Power Company was to be definitely wound up by transferring the assets of that company to Quebec Power. Following this voluntary action the charter will therefore be surrounded. President Julian C. Smith also announced that Quebec Power had offered to purchase the properties and assets of the Laurentian Power Company for the sum of $2,935,420 payable in cash. This offer has now been accepted and puts the Quebec Power in possession of the property of the St. Anne River within 40 miles of Quebec, having a development of 30,000 horsepower and a modern tension transmission line to the city of Quebec. Control of this subsidiary has been in the hands of the Quebec Power for some years and the contract for the supply of power from the St. Anne plane is held by Quebec Railway, Light and Power Company which is a small subsidiary company of Quebec Railway, Light, Heat and Power Company.

Turning to the balance sheet of Quebec Power, the company's total assets amount to $161,364,000, which is practically $3,000,000 higher than at the end of 1926 due largely to an increase in the amount of the

(Continued on page 16)

Besco's New Chief Goes to Maritimes

From Our Own Correspondent

MONTREAL. — A hurried trip to the Maritimes is being made by C. B. McNaught, newly elected president of Besco, and J. H. Gundy, who has recently become interested in the huge Maritime organization. An informal discussion was held with the Hon. E. N. Rhodes, premier of Nova Scotia, and with Hon. G. S. Harrington, minister of mines, with a view to co-operating in a plan for the solution of this company's problems.

The present trip of Mr. McNaught and Mr. Gundy, which will include Sydney and New Glasgow, will be made very hurriedly as a preliminary to a future extensive tour of the corporation's properties.

The Real Estate Loan Company of Canada, Limited

BALANCE SHEET AS AT 31st DECEMBER, 1927

Assets		
Real Estate held for sale		$ 78,499.57
Loans on Mortgages—		
Principal	$1,372,074.76	
Interest due and accrued	33,972.97	1,406,047.73
Loans on Stocks and Government Bonds		5,525.06
Dominion of Canada Bonds		15,134.86
Canadian Municipalities, School Districts and Rural Telephone Debentures		74,038.98
Cash in Chartered Banks		45,938.70
Cash in hands of Agents in Great Britain		247.28
		$1,625,432.18

Liabilities			
TO THE PUBLIC			
Sterling Debentures and Accrued Interest thereon		$ 696,879.75	
Currency Debentures and Accrued Interest thereon		104,085.57	
Open Accounts and Provision for Accrued Taxes		2,857.33	$ 803,822.65
TO THE SHAREHOLDERS			
Capital Stock Subscribed $500,000.00			
Capital Stock fully paid		500,000.00	
Rest	$275,000.00		
Contingent Fund	25,000.00	300,000.00	
Dividend No. 82, payable 2nd January, 1928		17,500.00	
Dividends Unclaimed, etc.		36.00	
Profit and Loss Account		4,073.53	821,609.53
			$1,625,432.18

PROFIT AND LOSS ACCOUNT — For the Year Ending 31st December, 1927

Interest paid and accrued on money borrowed	$ 39,051.33
Expenses of money borrowed and lent	2,744.28
Cost of Management and Directors' Compensation	16,854.59
Government and Municipal Taxes paid and accrued	3,310.24
Dividends Nos. 81 and 82	35,000.00
Real Estate Reserve	3,500.00
Transferred to Rest Account	10,000.00
Balance carried forward	4,073.53
	$114,533.97

Balance forward, 31st Dec., 1926	$11,072.40	
Less: Voted at Annual Meeting to President and Vice-President	1,200.00	$ 9,872.40
Income from Interest on Investments		104,661.57
		$114,533.97

E. L. MORTON, Managing Director.

AUDITORS' CERTIFICATE

We have audited the books and accounts of the Real Estate Loan Company of Canada, Limited, for the year ended 31st December, 1927, and have verified the Cash, Bank Balances and Securities of the Company. After due consideration, we have formed an independent opinion as to the position of the Company. In our opinion so formed, and according to the best of our information and explanations given to us, we certify that the above statements set forth fairly and truly the state of affairs of the Company and are in accordance with its books. All transactions of the Company that have come within our notice have been within the powers of the Company.

S. W. BLACK
H. J. WELCH, F.C.A.
Auditors.

Toronto, 20th January, 1928.

The Waterloo Trust and Savings Company

Present Their Fifteenth Annual Report for the year ending December 31, 1927

ASSETS AND LIABILITIES

ASSETS		
CAPITAL ACCOUNT		
Office Premises, Waterloo and Kitchener, including safe deposit vault, etc.		$ 99,278.33
Other Real Estate		41,267.52
Mortgages		
Principal	$143,992.57	
Interest due and accrued	3,558.59	
		147,551.16
Loans on Stocks, Bonds, Etc.		
Loans on Company's own stock	$ 18,071.19	
Loans on other securities	102,627.13	
		120,698.32
Bonds issued by Dominion of Canada and Provinces of Canada		34,528.98
Bonds guaranteed by Dominion or Provincial Governments		1,955.00
Municipal and School Debentures		179,550.54
Other Bonds and Debentures		281,063.73
Other Assets		10,461.38
Advances to Estates under administration		23,219.46
Cash in Banks		19,149.40
Cash on hand		75,660.17
		$1,034,383.99
GUARANTEED TRUST ACCOUNT		
Mortgages		
Principal	$3,332,977.19	
Interest due and accrued	73,204.74	
		3,406,181.93
Dominion and Provincial Government Bonds	$ 223,688.42	
Bonds Guaranteed by Dominion or Provincial Governments	211,536.08	
Municipal, School and Municipal Telephone Bonds	1,246,772.12	
		1,681,996.62
Call Loans against Government and Municipal bonds		100,000.00
Cash on hand and in banks		231,046.00
		$5,419,224.55
ESTATES, TRUST AND AGENCY ACCOUNT		
Mortgages		$ 242,564.47
Bonds		120,688.53
Sundry Investments		29,728.80
Cash on hand and in banks		74,639.00
Inventory value of unrealized Estates Assets		646,357.90
		$1,113,978.70
		$7,567,587.24

LIABILITIES	
CAPITAL ACCOUNT	
Capital Paid-up	$ 750,000.00
Reserve Account	255,000.00
Dividends declared and unpaid (due Jan. 1, 1928)	24,375.00
Profit and Loss	5,008.99
	$1,034,383.99
GUARANTEED TRUST ACCOUNT	
General Guaranteed Trust Receipts	$2,513,344.72
Trust Deposits	2,905,879.83
	$5,419,224.55
ESTATES, TRUST AND AGENCY ACCOUNT	
Trust Funds for Investment	$ 444,401.34
Advances from Capital Funds	23,219.46
Inventory value of unrealized Estates Assets	646,357.90
	$1,113,978.70
	$7,567,587.24

THOS. HILLIARD,
President

P. V. WILSON,
Managing-Director

To the Directors and Shareholders of The Waterloo Trust and Savings Company.

GENTLEMEN:

We beg to report that we have audited the books of account for your corporation for the year ending 31st of December, 1927, and have verified the cash, bank balances, and securities of the corporation.

That we have examined the annexed statement and that it agrees with the books of the corporation.

That after due consideration we have formed an independent opinion as to the position of the corporation.

That with our independent opinion so formed and according to the best of our information and the explanations given us, we certify that in our opinion the statement sets forth fairly and truly the affairs of the corporation.

That all transactions of the corporation that have come within our notice have been within the powers of the corporation.

Respectfully submitted,
J. SCULLY,
J. F. SCULLY, C.A., Auditors.

Kitchener, Ontario, January 21, 1928.

STRIKING GAINS AND SOLID GROWTH IN 1927

Guaranteed Low Net Cost Premiums

The Sovereign Life made definite progress in 1927 in all respects important to a life insurance company.

Paid to Policyholders and Beneficiaries	$ 285,068.85
Income	1,034,182.60
Total Assets	4,233,984.64
Insurance in Force	23,571,430.00

All of these items represent substantial increases over those of the previous year.

Liberal Policy Dividends

INTEREST RATE earned on invested funds, 6.70%.

DIVIDENDS paid Policyholders greater than for 1926 by 40%.

SURPLUS FUNDS, Investment Reserves and other resources exceed legal requirements by $693,470.00 (equal to 16.4 per cent. of Assets).

PROTECTION TO POLICYHOLDERS unexcelled by any company in Canada, irrespective of age or size.

Copy of 1927 Annual Report will be gladly mailed on request.

Financial Position Unique

THE
SOVEREIGN LIFE
ASSURANCE COMPANY
OF CANADA
HEAD OFFICE: WINNIPEG, CANADA

CANADIAN STOCK AND BOND QUOTATIONS

Pension Funds Organized and Valued
Equipped with Hollerith Sorting and Tabulating Machines
PIPE & ALLEN
Qualified Actuaries and Statisticians
Metropolitan Bldg., Toronto

Private Wire Connection to New York, Chicago, Winnipeg, Montreal, Toronto, and Vancouver.
G. F. TULL & ARDERN
LIMITED
STOCK, BOND, GRAIN and FINANCIAL BROKERS
LANCASTER BUILDING
CALGARY, Alberta

WHEN REMITTING
SEND
CANADIAN NATIONAL EXPRESS
MONEY ORDERS

BENNETT, HANNAH & SANFORD
Barristers, Solicitors, etc.
Calgary, Alberta, Canada
Hon. R. B. Bennett, P.C., K.C.
P. L. Sanford, B.A. A. Hannah
O. H. E. Might E. J. Chambers, LL.B.
H. G. Nolan, M.C., M.A.

McDonagh Somers & Co.
Government and Municipal Bonds
Dominion Bank Building
TORONTO
Canada

ANGLIN - NORCROSS
(LIMITED)
Contracting Engineers and Builders
MONTREAL : TORONTO

Electrical Construction
on Power Generating Plants, Substations and Distribution Lines.
Canadian Comstock Company Ltd.
Montreal Toronto

EXECUTORS, TRUSTEES, ADMINISTRATORS
Guardians, Transfer Agents, Bond Mortgage Trustees
Savings Department
Real Estate Department
CHARTERED TRUST & Executor Company
46 King St. W., Toronto

5% INCOME RETURN
On well selected Municipal bonds will probably soon be impossible to obtain.
These bonds are trustee investments readily resaleable. We recommend long term bonds to maintain good interest with opportunity for appreciation.
W.L. McKinnon & Co.,
205 McKinnon B!dg.
TORONTO, ONT.

Free Manual
Covers over 1,000 listed New York Stocks, giving high and low prices from 1906 to date, dividends, etc. Also gives high and low prices New York Cotton, Chicago Grain. Send for your FREE copy to-day. Dept. A-24.
H.C. SCHAUBLE & CO.
79 Wall Street, New York

K.H. Kompfe & Co.
LIMITED
Investments
330 Bay St. TORONTO Adelaide 3331
Dom. Savings Bldg. LONDON Telephone 807.

Stock Market Record

WEEK ENDING FEBRUARY 14

	Div. Rate	Yield Feb. 13	High for wk.	Low for wk.	Close Feb. 14	Close Feb. 7	Sales for wk.	Range, 1928 High	Range, 1928 Low
Banks—									
Commerce	12+1	4.49	290	285	286	288	341	290	277
Dominion	12+1	4.81	270	264	270	265	148	270	261
Can. Nationale	10	5.34	187	186	186	187	21	190	186
Imperial	12+1	5.24	248½	247	247½	248½	108	250	246
Montreal	12+2	4.07	344	341	344	344	141	347	334
Nova Scotia	16	4.10	390	385	388	390	142	390	375
Royal	12+2	3.93	357	354	356	357	495	357	330
Standard	12	4.87	250	246	247	255	304	265	236
Toronto	12+1	4.33	300	297	300	299	24	306	280
Paper—									
Abitibi, com. (n.p.)	.	...	78⅝	77	77	73	5378	83	77
Do. pref.	7	5.49	..	...	...	...	...	127½	127½
Belgo, Can., pref.	7	6.39	109½	107½	108	110	77	110	106
Brompton (no par)	$2	3.10	64½	61	64¼	64	4728	71	51
Fraser, com.	.	...	59	53	58	58½	731	63	53
Do. pref.	7	4.00	..	...	...	...	...	184	132⅝
Can. Power & Paper	.	...	38	37	37¾	37½	6197	40½	36½
Int. Pap., c. (n.p.)	$2.40	3.10	78½	73¼	75¼	72¾	76300	78½	67⅞
Do. pref.	7	6.51	107½	107⅛	107½	107¼	337	107⅝	105
Laurentide	6	4.49	133½	132	133½	132⅝	3711	134¾	114
Port Alf. P., c. (n.p.)	.	...	115	114	115	115	88	122	95
Do. pref.	7	6.49	108	107	107¼	108	260	108	102
Price Bros., com.	2	2.22	90½	88	90	90	972	96	78
Do. pref.	6½	6.06	107¼	105	105	105	373	107¼	103
Smith, Howard, com.	.	...	86½	85	85	91	262	93	71
Do. pref.	8	6.95	116	115	115	115	135	117	115
Span. River, com.	7	4.32	...	...	...	...	...	163½	135
Do., pref.	7	5.22	136	134½	134½	136	393	152	134½
St. Maur. V., c. (n.p.)	.	...	95	91¾	93¼	94	1578	100	72½
Do. pref.	7	6.66	105	103	104½	105	113	105	101½
Wayagamack (n.p.)	$3	2.40	125	115	122	120	2860	127¼	106
Steel and Steel Industries—									
B.E. Steel, com.	•	...	4	3⅛	3⅛	4⅛	760	5½	1
Do. 1st pref.	•	...	42	40	40	43	146	48⅛	22
Do. 2nd pref.	•	...	8½	6½	7	8½	2419	11¼	3½
Can. Car & Found., c.	•	...	51	49	50	51	855	54⅞	46½
Do. pref.	7	7.44	94	93	94	94¼	386	94½	90
Can. Fairbanks, pref.	6+3†	5.82	..	...	...	...	...	103	103
Can. Forgings, com.	.	...	...	...	...	...	...	20	15
Do. pref.	5†	...	68	68	68	65	50	68	65
C.G.E., c. (par $50)	.	...	...	...	...	...	...	71	70½
Do. pref. (par $50)	7	5.83	60½	60	60	61	241	62½	60
Canada Iron, com.	.	...	...	...	...	...	...	25	25
Do. pref.	4	5.40	74	74	74	80	1	80	60½
Can. Locomotive, com.	.	...	..	...	...	...	...	x48	25
Do. pref.	7	8.75	80	79	80	79	12	80	75
Dominion Bridge	$2.60	3.82	69	67½	67½	69	2190	74¾	66
Do., Rts.	•	...	2	1¾	1⅞	2	7933	2½	1
Dominion Coal	•	...	96	96	96	96	15	96½	75
Dominion Iron, pref.	•	...	11	11	11	12	5	12	5
Dom. Steel Corp., pf.	•	...	..	...	...	...	...	76¼	44½
East Steel Prod. (n.p.)	.	...	28¾	28	28	28¾	260	30	23
Do. pref.	7	7.14	98	97	98	97½	7	99	97
Ford Motor	15	...	..	...	...	...	...	x475	436
Gotfredson (no par)	.	...	8	8	8	9	50	15	8
Gould Pumps, pref.	7	7.00	..	...	...	...	...	x100	100
Kelvinator, c. (n.p.)	.	...	10	6	9¾	6	755	10	5
Do. pref.	7	9.52	73½	73½	73½	73¼	10	80	65
Massey-Har., c. (n.p.)	.	...	42½	39½	42¼	40½	23020	47¼	39½
Do. pref.	7	6.46	108½	108	108¼	108½	704	110	107½
McKin. Ind., c. (n.p.)	.	...	32	30	30	33	70	35⅜	27¾
Do. pref.	7	7.14	99	98	99	99	66	99	97½
Do. Vot. Trust	•	...	31½	30	30½	34	379	35	26
N.S. Steel Trust	•	...	..	...	...	...	...	25	25
Ontario Steel	6	5.06	..	...	...	...	...	118½	118½
Do. pref.	7	5.83	..	...	...	...	...	120	120
Page Hersey, c. (n.p.)	$3	3.31	94½	88½	89½	98	5365	108	85
Do. pref.	7	3.91	186	178	181	200	385	212	171
Pressed Metals, com.	$3	6.00	52	50	52	51	551	58	50
Do. pref.	7	7.36	...	...	...	...	...	95	95
Russell Motor, com.	4	7.08	56½	56½	56½	57½	10	60	56½
Do. pref.	7	7.17	100	97½	97½	100	30	100⅛	97½
Steel of Canada, com.	7	3.62	193½	189⅛	193½	191	2079	199¾	180
Do. pref.	7	3.88	178	177	177	180	25	180	170
Milling, Foodstuffs and Merchandising—									
Alta. P. Gr., c. (n.p.)	.	...	67½	62	65	66½	3932	70½	51
Do. pref.	7	7.00	100	99	100	100	231	101½	96½
Arnolds, c. (no par)	•	...	19	16½	19	16½	2610	20⅛	15
Do. pref.	•	...	..	...	...	...	...	87	86
Atlan. Sug., c. (n.p.)	•	...	24½	28¼	24½	24	675	27½	15½
Do. pref.	.	...	..	...	...	...	...	85½	75
B.C. Fish., c. (n.p.)	$1.25	16.66	9	6¾	6¾	9	1016	12½	6¾
Do. pref.	7	13.72	55	50	50	53	62	66	50
Can. Bak., c. (no par)	.	...	41	40	40	40½	95	42	37
Do. pref.	7	6.66	105	105	105	105	10	105	104
Can. Bread, c. (n.p.)	$6	3.61	168	166	166	170	120	170	155
Do. pref. (A)	7	5.83	123	120	123	123	26	123	115
Do. pref. (B)	7	6.39	110	109	109	106	118	110	106
Can. Canners, com.	.	...	19¾	19	19½	19	1242	23	17
Do. 1st pref.	6	6.55	92	91	91	91⅞	495	94	91
Do. 2nd pref.	60c	2.72	22	20½	22	20¾	2903	25	19
Canadian Salt	8	5.00	160	156	160	156	31	160	154
Christie Br., c. (n.p.)	$1.20	.96	127	120	125	120	1235	131½	86
City Dairy, (n.p.)	.	...	48	47¼	48	48	1995	59¼	47
Do. pref.	7	5.46	128	128	128	125	10	128	121
Cuban Can. Sugar, c.	•	...	3	3	3	3	130	3	3
Do. pref.	•	...	28¼	28	28	28	55	30	28
Wm. Davies (A) (n.p.)	•	...	45	45	45	45	20	45	43
Do. (B) (n.p.)	.	...	20	20	20	20	2	20	19
Dom. Stores (no par)	$2.40	2.06	120	115½	116½	118	444	129	104½
Ham. Dairies, c. (n.p.)	.	...	47	46	46	49	60	50	45
Do. pref.	7	6.82	103	102½	103	102½	10	103	102
Hunts, Ltd., c. (n. p.)	.	...	39½	39½	89½	39½	10	46	39½
Do. pref.	7	7.00	100	100	100	100	6	101	99
Inter. Milling, pref.	7	6.42	110¼	109	109	109¼	25	110¼	107½
Lake of Woods, c.	12	6.89	175	172	174	179	136	185	167
Do. pref.	7	5.69	124	124	124	123	15	124	122
L. Secord, c. (n.p.)	.	...	43	43	43	45	30	46	37
Do. pref.	7	5.30	133	132	132	134	70	136	121
Loblaw, com. (n.p.)	$1	.99	110	106	106	109¾	474	118	93⅛
Do. pref.	7	4.37	166	160	160	165	2	175	134
Maple Leaf Mill., c.	.	...	124	124	124	124	75	128⅝	104
Do. pref.	7	6.42	110	109	109	109	60	111	103
Muirheads, c. (n.p.)	60c	4.13	14½	14	14	15	620	16½	13¼
Do. pref. (par $10)	75c	4.41	17	17	17	17	40	17½	14
Nat. Grocers, pref.	8	8.14	99	98	99	98	90	99	98
Ogilvie Fl., c. (n.p.)	5+10	3.65	410	409	409	414	20	425	409
Do. pref.	7	4.93	..	...	...	...	...	143	135
Pure Gold Mfg. (n.p.)	$1.50	6.00	25¼	25¼	25¼	25¼	25	28	22
Shred W., c. (no par)	$3	4.19	72	69	.71	71½	1449	78⅞	68¼
Stanfords, c. (no par)	$1	3.92	..	...	...	...	...	26	24
Do. pref.	7	7.33	95½	95½	95½	95	10	95½	94
St. Law. Flour, c.	.	...	46	40	43	48	106	52¼	35
Do. pref.	7	7.36	95	95	95	...	1	95	95
Viau Bisc., c. (no par)	.	...	30	25	25	30	1813	33	15
Do. pref.	7	8.33	84	84	84	87	15	88½	84
W. Can. Fl., c. (n.p.)	$1.40	3.33	45	41½	42	44	119	50	37½
Do. pref.	6½	6.13	106	106	106	105	15	106	105
W. Groc., c. (n.p.)	$1	4.54	22	21	22	22	89	22	19
Do. pref.	7	9.33	75	75	75	75	90	77	75
W. Can. Fl., Rights	•	...	6	4	4½	...	368	6	4
Utilities—									
Bell Telephone	8	4.93	162	161	162	161	398	164	154
Calgary Power	5	4.76	..	...	...	...	...	105	100
Consumers Gas	10	5.00	200	198½	199¾	198	145	200	196
East Koot. Pr. (n.p.)	.	...	..	...	...	...	...	25	25
Do. pref.	7	7.07	..	...	...	...	...	99	99
Int. Util. (A) (n.p.)	$3.50	7.44	48½	45½	47½	48¼	2422	51¼	45½
Do. (B) (no par)	.	...	10	8	8¾	8	2910	10⅝	8
Jamaica Pub. Ser., pf.	7	6.08	112	112	112	115	5	115	105
Laurentide Power	5	3.13	..	...	...	...	...	165	135
Mackay, com.	7	6.14	115	113	115	113	182	119¼	113
Do. pref.	4	5.73	70	68½	69	69	223	70	67½
Mexican Light, c.	.	...	62½	62½	62½	65⅛	100	67	62½
Do. pref.	3½	...	..	...	...	...	...	80	77
Mont L H & P (n.p.)	$2	2.16	92½	91½	92	92	2457	94½	89
Mont. Teleg. (par $40)	8	5.82	55	55	55	55	100	55	53¼
Nor. Mex. Pr., c.	4	3.73	107	104	106	107	2230	110	90
Do. pref.	7	7.00	..	...	...	...	...	100⅜	97
Ot. & Hull Pr., c. (n.p.)	.	...	..	...	...	...	...	70	35
Do. pref.	7	7.00	..	...	...	...	...	100¾	99
Ott. L. H. & Pr., c.	6	4.47	134	130	130	134	38	134	130
Do. pref.	6½	6.07	107	107	107	107	5	109	106
Power Corp., c. (n.p.)	.	...	85½	80	83	84	11581	85½	70½
Do. pref.	6	5.98	102	100¼	101	100	20	102	99
Quebec Power, c.	$2	2.22	90½	88	89½	89	5145	92	86¾
Shawinigan (no par)	$2	2.05	98½	94	98½	94¾	24056	98½	87
S. Can. Pr., c. (n.p.)	4	2.48	161	135	150	135	1536	161	114
Do. pref.	6	5.66	107	105½	105½	107	49	107⅞	105
Transportation—									
Can. Pacific Rly.	10	4.95	202⅝	202	202	200	6	215	200
Can. Steam., c. (n.p.)	.	...	35	33	34	33	381	35	31
Do. pref.	6	6.48	92½	91	92	92½	699	92½	89
Do. voting	•	...	..	...	...	...	...	32	31
Tractions—									
Barcelona (par $50)	1	...	60	60	60	62	3	62	60
Brazilian, c.	7	3.37	209¼	202½	209	203½	29032	223¾	195
Do. Rights	.	...	21½	20	20¾	19¾	64044	21½	18
Do. (new)	.	...	54¼	52⅜	53	52¾	77257	54¼	50½
Do. pref.	6	3.57	..	...	...	...	...	183	168
Detroit Un. Rly.	.	...	1	1	1	1	50	1	1
Duluth-Superior	$1	5.00	..	...	...	...	...	22	19
Minneapolis S.S.	.	...	..	...	...	...	...	x43	42⅛
Mexican Trams.	.	...	..	...	...	...	...	x21	19¼
Montreal Trams.	10	5.00	200	200	200	195	47	200	190
Ottawa Traction	4+1	6.94	72	72	72	68	30	72	68
Porto Rico Rlys., c.	$3	4.30	..	...	...	...	...	x70⅝	59
Do. pref.	7	7.00	..	...	...	...	...	100	98½
Twin City, c.	4	7.54	54½	51	54½	51¾	1776	54½	47
Do. pref.	7	6.71	..	...	...	...	...	104¼	104¼
Winnipeg Elec., c.	2	1.74	116	113½	115½	115	6330	119½	98
Do. pref.	7	6.42	115	108½	109	115	180	115	107
Textiles—									
Can. Conn. Cot., pref.	4	4.81	83	79⅞	79⅞	84	265	88	66
Can. Converters	7	6.03	120	113	120	113	698	120	101
Can. Cotton, com.	8	5.33	150	150	150	152	20	152	140
Do. pref.	6	6.00	100⅛	100	100⅛	100	55	102½	100
Can. Woollens, com.	.	...	...	...	...	...	...	25	14
Do. pref.	.	...	85	82½	85	83½	45	85	80
Cosmos Imp., c. (n.p.)	.	...	24	22	22	23	626	27½	22
Do. pref.	7	7.00	101	99	99	99½	185	101	99
Dom. Tex., c. (n.p.)	$5	3.81	132½	131	131⅞	133½	380	134½	130
Do. pref.	7	5.34	131	131	131	131	5	131	130
Monarch Knit, c.	.	...	..	...	...	...	...	x39½	71½
Do. pref.	.	...	70	50	70	50	94	70	45¾
Montreal Cottons, c.	6	5.21	..	...	...	...	...	115	115
Do. pref.	7	5.69	..	...	...	...	...	125	121
Penmans, c. (no par)	4	4.00	100	99¾	100	102½	93	106	99¾
Do. pref.	6	5.74	104½	104	104½	104	20	106¼	103
Wabasso Cot. (no par)	6	4.61	..	...	...	...	...	133	125
Do. Rights	.	...	13½	10	10	14	212	15	10
Zimmerknit (no par)	.	...	25½	23	24	25	346	30	22
Do. pref.	7	7.60	92	92	92	91	98	105	91
General Industrials—									
Am. Sales, c. (p. $20)	4	5.19	77	77	77	79	110	80	71
Do. pref.	7	6.25	112	112	112	112	80	112	108
Asbestos Co., c. (n.p.)	.	...	35	33¾	33¾	34½	1554	37	32¾
Do. pref.	7	7.36	95½	90½	95	95	444	96	90½
Brant Cd., p.. (p. $25)	8	12.50	16½	16½	16½	16½	15	16½	15
Building Prod., c.	$1.20	2.92	41½	38	40	41	6170	42½	33¾
Do. pref.	7	6.60	106	105	106	106	55	106	104
Burt, F. N., c. (p. $25)	$3	4.28	72½	70	70¼	73	545	76	66½
Canada Cement, c.	.	...	35	33½	34¼	34	10424	35	31
Do. pref.	.	...	101	99¾	101	100	2353	101	97½
Can. Bronze, c. (n.p.)	.	...	85	80	80	85	700	87	67
Do. pref.	7	6.36	110	109¾	110	109½	100	110½	109½
Conduits, c. (no par)	.	...	..	...	...	...	...	38	35
Do. pref.	7	6.86	..	...	...	...	...	102	101
C. Smelt. (par $25)	10+40	4.40	285	275	284	280	4571	289½	251
Crow's Nest Coal	6	10.16	59	59	59	60	75	62	55
Dom. Glass, com.	7	5.38	131¾	130	130	131¼	145	135	128
Do. pref.	7	5.83	..	...	...	...	...	120⅝	119
Dom. Rubber, pref.	7	...	..	...	...	...	...	x75	75
E. Theat., c. (p. $25)	$2	7.00	29	29	29	29	290	29	28½
Do. pref.	7	7.00	100	97	100	95	100	100	95

	Div. Rate	Yield Feb. 13	High for wk.	Low for wk.	Close Feb. 14	Close Feb. 7	Sales for wk.	Range, 1928 High	Range, 1928 Low
Famous Play., com.	.	...	90	88¾	88¾	88¾	870	90	40
Do. pref.	8	7.61	105	104	104	105	80	106	102
Gilman, com.	6	5.00	..	...	...	...	...	120	109
Do. pref.	7	5.83	120	120	120	123	20	123⅛	115
Goodyear Tire, com.	$5	3.13	168	150	164	159	1085	168	136
Do. pref.	7	6.54	107½	106	107	107	307	108	104
Ham. Un. Theatres, c.	.	...	12	10	12	8	519	12	7
Do. pref.	7	8.53	..	...	...	...	...	82	82
Hayes Wheel, c. (n.p.)	.	...	27	25½	25½	26½	560	31½	25½
Do. pref.	7	7.25	96½	96	96½	97	55	100	96
Holt, Renfrew, c.	.	...	100	90	100	82	93	100	80
Do. pref.	7	7.44	..	...	...	...	...	94	92
Int. Nic., c. (par $25)	$2	2.14	96	90½	93¼	96	85434	100	81½
King Edward Hotel	$2	3.50	57¾	57	57	57	80	59	50
Lyall Construction	.	...	53	52	53	52½	105	60	47
Loew's, com.	.	...	..	...	...	...	...	40	40
Do. pref.	7	6.93	101¾	101	101¾	101¾	60	101⅞	100
National Brick, com.	.	...	9	4	9	5	110	9	4
Do. pref.	6	8.10	..	...	...	...	...	75	60
Pacific Burt, com.	6	4.83	125	124	124	135	95	137	119½
Do. pref.	7	5.18	130	130	130	135	30	136	122
Photo Engrav. (n.p.)	$2	5.55	37	35½	37	37½	735	41¼	33
Port Hope San., com.	4	1.81	..	...	...	...	...	220	190
Do. pref.	7	5.83	..	...	...	...	...	120	120
Rogers, Wm., com.	.	...	70	68	70	68	37	70	65
Do. pref.	7	6.96	100½	100	100½	103	6	103	100
Sher-Williams, com.	6	3.35	..	...	...	...	...	180	179
Do. pref.	7	5.55	..	...	...	...	...	129	125
Standard Chem.	$1	...	29	29	29	29	15	29	25
Sterling Coal	.	...	..	...	...	...	...	19	19
Tooke Bros., com.	.	...	20	20	20	20	15	20	18
Do. pref.	7	10.29	68	68	68	68	107	68	67
Tuckett Tobacco, c.	4	4.03	101½	99	99¼	100	60	101½	98
Do. pref.	7	5.98	117	117	117	117	5	118	116
Woods Mfg., com.	.	...	..	...	...	...	...	x46	39
Do. pref.	7	8.97	80	78	80	77	55	80	77
Beverage—									
Brading Brew. (n.p.)	$2	6.55	31	30¼	30¼	31½	170	32	30¼
Brew. & Dist. (p. $5)	5	1.46	17¼	17	17¼	17	155	18	16
Can. Brew. (no par)	$2	5.55	36¼	35½	35½	36	2610	40	34¼
C. Ind. Alc. (n.p.)	$1.52	4.22	37⅜	35½	37⅜	37	7917	40	35½
Do., Rights	.	...	1.65	1.45	1.60	1.60	26875	1.75	1.00
Can. Malting (no par)	$1.50	4.05	38	35¼	37	38	3920	40¾	35¼
Carling Brew. (n. p.)	$2	5.55	37¼	32½	35½	38	9232	44	32½
Com. Alcohol (n.p.)	$1	2.77	37	36	37	37	555	40	25
Do. pref.	8	...	..	...	...	...	...	x110	103
Cosgrave B. (p. $10)	6	6.31	9⅝	9	9½	8½	1856	9¾	8¼
Chas. Gurd, c. (n.p.)	$2	1.75	114	105	113	108	6261	114	93
Do. pref.	7	6.54	..	...	...	...	...	107	106
Hiram Walker (n.p.)	$2	3.33	62	59	61	62¼	15748	69	59
Lake Ont. Brew. (n.p.)	$2	8.33	24	23	24	23	259	30	23
Nat. Brew., c. (n.n.)	4	3.32	121½	114½	119½	116	14698	121½	112½
Do. pref.	7	5.60	125	125	125	124	145	125	122
Nat. Distilleries	.	...	19	18	18	18	315	20¾	18
Pelissiers	•	...	15	14	14	15¼	1595	15½	13¾
Seagram (no par)	•	...	25½	24	24¾	25½	8796	32¼	22
Toronto Brew. (n.p.)	•	...	10	9¾	10	9½	565	10	9½
Oil—									
Ajax	.	...	71	50	65	46	49600	80	43
B.C. Oilfields (par $5)	•	...	..	...	...	...	...	2¾	2
Beacon Oil	.	...	15½	14¼	14¼	15⅛	195	17½	14¼
Brit. Am. Oil (n.p.)	80+20c	2.77	37⅛	35½	36¼	37⅛	15841	40½	35½
Can. Oil, c. (n.p.)	$1	1.64	63½	53½	63	64	6610	68½	44
Do. pref.	8	5.44	147	145	147	154	317	170	135
Continental Oil	$1	...	..	...	...	...	...	22	22
Foothills Oil	.	...	2.00	2.00	2.00	2.25	25	2.58	2.00
Frontenac Oil	.	...	31¾	30	31¾	30	495	34	30
Imperial Oil (n.p.)	$1.50	2.50	61	59½	59½	60½	5994	65¼	59
Int. Pete. (n.p.)	75c	2.02	38¾	36¾	37⅛	38¼	7749	44	36¾
McColl-Fron., c.	•	...	32	30	31	31¼	10736	33¾	30
Do. pref.	•	...	88	88	88	90	25	90	88
Do. Units	•	...	95¾	95¾	95¾	...	10	95¾	95⅝
North Star, c. (p. $5)	.	...	3.00	2.75	3.00	2.50	1200	3.00	2.50
Do. pref. (par $5)	7	...	..	...	...	...	...	6.50	5.10
Petrol Oil	.	...	18⅞	17½	18¾	17½	5800	21⅞	15
Supertest Pet., c.	50+50c	1.05	95½	92	93	93	170	96	70
Do. pref.	7	7.07	..	...	...	...	...	99	97
Trojan Oil	.	...	..	...	...	...	...	x8.60	4.00
Venezuel. Pet. (p. $5)	20c	...	..	...	...	...	...	x7½	6½
Volcanic Oil	$1.40	4.00	37	35½	35½	37	16	37	29
Vacuum Gas	•	...	11	9	10⅞	8½	23000	12½	8½
Trust and Loan—									
Canada Life	20	...	1000	1000	1000	...	12	1000	1000
Can. Permanent	12	4.85	247	247	247	240	5	247	230½
Col. Invest. (p. $10)	6	...	4¼	4	4¼	4	7	5	4
Econ. Invest. (p. $50)	4	3.50	59	57	57½	57½	220	59¾	57
Huron & Erie	7+½	4.68	160	160	160	155	9	160	152
Landed Banking	10	5.00	..	...	...	...	...	205	200
Mont. Loan (par $50)	12+1	6.76	..	...	...	...	...	x52¾	47
National Trust	12+1	4.56	..	...	...	...	...	x285	232
Ont. Loan (par $50)	12	5.00	..	...	...	...	...	x120	111
Real Estate Loan	7	6.54	..	...	...	...	...	x107	100
Toronto Gen. Trusts	12	4.01	299	299	299	275	2	299	275
Toronto Mge. (p. $50)	12	4.91	..	...	...	...	...	122	114
Union Trust	7+1	5.33	..	...	...	...	...	150	135

CURB AND UNLISTED MARKETS

	Div. Rate	Yield Feb. 13	High for wk.	Low for wk.	Close Feb. 14	Close Feb. 7	Sales for wk.	Range, 1928 High	Range, 1928 Low
Asch. com. (n.p.)	•	...	28	26½	28	26½	40	30	24½
Do. pref.	•	...	93	93	93	93	10	93	90
Attendu Eng. (p. $1)	.	...	16¼	15⅞	15⅞	15	135	21	12
Belding, com.	6	6.66	90	90	90	94	10	95	80
Do. pref.	7	6.98	101	101	101	101	2	105	97
Can. Celanese (n.p.)	•	...	70	64	64	70	676	78	61½
Do. pref.	•	...	100	98	98	99	79	103½	98
Can. Dredge, c.	•	...	36½	32	34	36	740	37	32
Do. pref.	•	...	111	108	109	111	465	115	108
Can. Light & Power	•	...	46½	46	46	49	95	49	43
Can. Nor. Pr., c. (n.p.)	.	...	75	75	75	70½	10	75	65
Do. pref.	7	6.86	105	102	102	102	223	105	100
Cockshutt, com.	.	...	..	...	...	...	...	22⅞	21⅞
Do. pref.	4	3.07	130	115¾	124	124	1328	143½	105¾
Cooksville Sh. Brick, c.	.	...	..	...	...	...	...	x14	10¾
Do. pref.	4	...	..	...	...	...	...	x55	50½
Dom. Engineer. (n.p.)	$2.60	4.40	59⅞	58	58	59	160	65	52
Do. Rights	•	...	1.10	.99	1.00	1.00	1474	1.15	.90
Dom. Power, com.	.	...	54	54	54	55½	25	57	54
Do. pref.	7	6.93	..	...	...	...	...	x102	100
Dryden Paper (n.p.)	.	...	45	38⅞	40	42½	2608	46¼	33
E. Dairies, c. (n.p.)	.	...	54	53	53½	52½	325	55	52½
Do. pref.	7	6.96	..	...	...	...	...	100½	99
Eng. Elec., c. (n.p.)	.	...	19	19	19	19	13	23	11
Do. pref.	.	...	99½	96	98	98	35	112	75
Farm. Dairy, c.	.	...	23½	18	18	23½	130	27	18
Do. pref.	7	...	..	...	...	...	...	110	110
For. Pr. Secs. (n.p.)	.	...	46½	45½	46	46½	582	48⅞	38½
Illinois Power, pref.	7	7.05	..	...	...	...	...	102	99½
Imp. Tob., c. (p. $5)	6+2	4.00	10⅞	9½	9¾	10	16743	10¾	9¼
Inter. Power, com.	.	...	42	40½	41	42	340	43¼	40
Do. pref.	7	7.03	100	99	100	100	102	100	97
Kemsley Milburn	.	...	16	16	16	16	15	17⅝	15⅝
Loew's London, com.	3	...	..	...	...	...	...	5¾	5¾
Man. Power (no par)	$2	1.70	119	114	117½	117½	891	123	85
Mitchell, J. S., c.	.	...	40	39	39¾	39½	83	41½	38
Do. pref.	7	6.86	102	102	102	100	20	102	99½
Mount Royal, com.	•	...	..	...	...	...	...	x6	3
Do. pref.	•	...	..	...	...	...	...	x55¾	40
Municipal Service	•	...	10	10	10	10	65	15	10
North. Bak. (no par)	•	...	48	40	46½	47	7305	54	40
N.S. Car, c. (n.p.)	•	...	46	44	45	46	2790	49	39
Ott. Mtl. Pr., c. (n.p.)	.	...	..	...	...	...	...	x25	19
Do. pref. (par $50)	7	...	..	...	...	...	...	x53⅜	47
Ott. Riv. Pr. (n.p.)	•	...	..	...	...	...	...	38	25
Paton Mfg., c. (n.p.)	•	...	..	...	...	...	...	63	55
Do. pref.	.	...	..	...	...	...	...	103	103
Perfection Glass	.	...	4⅝	4	4¼	4½	2220	8¾	3⅛
E. L. Ruddy, pref.	7	7.00	..	...	...	...	...	101	100
Service Stn. Equip.	$1.60	4.00	44	38	39½	43	1590	48	37½
St. Maur. Power	4	2.09	192¾	186	192¾	188	589	192¾	170
Simpson, Robt., pref.	6	5.82	..	...	...	...	...	105	102½
Sover. Secs. (par $5)	.	...	..	...	...	...	...	2.00	1.50
St. Law. Pap., c. (n.p.)	.	...	102	100	100	103	603	110	100
Do. pref.	8	6.55	122	122	122	120	15	122	116
Standard Clay	•	...	34½	34½	34½	...	30	34¼	34½
United Secs., com.	.	...	..	...	...	...	...	64½	64
Do. pref.	6	5.79	104	100	103¾	104½	295	105	100
Wallace Sand	.	...	..	...	...	...	...	x3	2¼
Wolthausen (no par)	•	...	..	...	...	...	...	x25	20

†Arrears.
xQuotations for 1927. No sales recorded in 1928 to date.

Bond Movement of the Week

Week Ending February 14

Bonds	Int. Rate	Due	Yield	Range 1927 High	Range 1927 Low	Range 1928 High	Range 1928 Low	Ask	Latest Price Bid	Latest Price High	Low
Asbestos. gen. mge.	6	1956	6.03	98	88	99½	97½	99⅜	98⅜	99½	98
Can. Bread	6	1941	5.28	107	105	108	107	...	107	107	...
Can. Pr. & Paper	5	1958	5.26	...	...	96⅛	96	...	...	96	...
Can. Rubber	6	1946	5.67	103¾	102½	103¾	103¾	...	103¾	103¾	...
Dom. Iron	5	1929	6.07	93¾	69	98⅛	94	...	98⅛	98⅛	...
Montreal Tram. A	5	1955	4.90	100	94¼	102	99¾	101½	101	101½	98
Nat. Breweries	6	1939	5.46	105	105	105	104¾	105	104	104¾	100¾
Ogilvie	6	1932	5.08	101½	104¼	104	104	...	103¾	104	...
Quebec Rly.	5	1989	4.51	107½	96	104½	101	...	101⅞	104½	101¾
Steel of Can.	6	1940	5.14	103½	105	108	107½	...	108	108	...
Wayagamack	6	1951	5.69	[illegible]	97	104½	103½	104½	104	104	...
War Loan	5	1931	4.15	102.70	101.10	102.85	102.30	102.65	102.35	102.35	102.20
Do.	5	1937	4.15	106.75	102.95	106.70	106.00	106.40	106.10	106.20	106.15
Victory Loan	5½	1933	4.30	106.55	103.35	106.50	105.50	105.95	105.75	105.85	105.50
Do.	½	1934	4.52	105.65	102.80	105.85	105.10	105.55	105.30	105.75	105.20
Do.	5½	1937	4.05	111.15	106.85	110.95	110.00	110.35	110.05	110.35	110.00
Do., renewal	5½	1932	4.50	104.10	101.85	104.95	103.80	104.20	103.90	104.35	103.80
Do., refund	5	1928	4.50	101.50	99.75	100.60	100.15	100.65	100.40	100.35	100.25
Do., refund	4½	1940	4.30	103.40	96.50	102.90	102.15	102.65	102.35	102.90	102.15
Do.	5	1943	4.45	106.40	102.30	106.10	105.05	106.00	105.75	106.10	105.60
Do.	4½	1944	4.25	103.00	96.60	103.05	102.40	102.95	102.65	103.00	102.75
Do.	4½	1946	4.30	102.70	96.70	103.10	102.70	103.20	102.90	102.95	102.90

Stock Market

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Feb. 15	108.2	105.2
Week of Feb. 8	109.6	106.6
Month of Feb., 1927	86.8	81.2
9 Bank Stocks		
Week of Feb. 15	$292	$289
Week of Feb. 8	294	289
Month of Feb., 1927	241	236
10 Public Utilities		
Week of Feb. 15	$114	$112
Week of Feb. 8	113	110
Month of Feb., 1927	91	85

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	2	6	1	9
Paper	7	7	7	21
Steel	9	19	14	42
Foodstuffs	13	21	22	56
Utilities	10	8	13	31
Tractions	7	2	8	17
Textiles	6	8	6	20
Industrials	24	33	41	98
Total	78	104	112	294

RAILWAY EARNINGS

Feb. 7	1928	1927	Change
C.P.R.	$3,613,000	$3,119,000	+ $494,000
C.N.R.	4,409,566	4,075,231	+ 334,335

Airplanes are now being used to herd vast numbers of reindeer in the big Arctic stock farms.

Foreign Exchange

NEW YORK FUNDS

	High (Premium)	Low	Last year High (Premium)	Last year Low
Feb. 9	3-16	3-16	5-32	5-32
Feb. 10	3-16	3-16	5-32	5-32
Feb. 11	3-16	3-16	5-32	5-32
Feb. 13	3-16	11-64	5-32	5-32
Feb. 14	3-16	3-16	5-32	5-32
Feb. 15	3-16	11-64	5-36	9-64

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Feb. 9	4.87	3.92 3-4	5.29 1-16
Feb. 10	4.87 1-16	3.92 13-16	5.29
Feb. 11	4.87 1-16	3.92 7-8	5.29 3-16
Feb. 13	...	...	...
Feb. 14	4.87 1-2	3.92 7-8	5.29 1-4
Feb. 15	4.87 1-8	3.92 3-4	5.29 3-8

FOREIGN EXCHANGE

Par		Feb. 8	Feb. 15
13.90	Italian	5.30	5.30½
23.82	German	23.91	23.89
19.30	Belgium	13.96	13.96
84.85	Japan	46.97	46.87

JAMAICA PUBLIC SERVICE

December	1927	1926
Gross earn.	$ 69,262	$ 62,106
Net earn.	33,617	26,876
Surplus after chgs.	27,541	20,730
12 Months end. Dec. 31	1927	1926
Gross earn.	$694,160	$652,104
Net earn.	284,993	255,387
Surplus after chgs.	211,604	180,781

Unlisted Stocks

These prices are mostly as at February 14, and while obtained from reliable sources, cannot be guaranteed.

Industrial Stocks

	Bid	Asked
A. W. Chase, com.	$ 2.00	$ 5.00
A. W. Chase, pref.	50.00	60.00
Border Cities, pfd., bonus c.	33.00	40.00
Brandram Henderson, com.	20.00	23.00
Brandram Henderson, pref.	86.00	90.00
Brantford Roofing	97.00	
Canada Machinery, com.	7.00	11.00
Canada Machinery, pref.	26.00	30.00
Can. Paperboard, pref.	....	95.00
Canadian Westinghouse	225.00	240.00
Caulfields Dairy, com.	32.00	37.00
Copeland Flour Mills, pref.	20.00	25.00
Dom. Alloy, pf. bonus com.	1.00	3.50
Dom. Foundries & Steel, c.	4.00	....
Dom. Foundries & Steel, pf.	28.00	....
Dom. Linens, pref.	16.00	....
Dom. Manufacturers, com.	8.00	....
Dom. Manufacturers, pref.	71.00	....
Dom. Power, com.	54.00	57.00
Dom. Power, pref.	102.50	103.50
Dom. Sewer Pipe, com.	61.50	....
Dom. Sugar, com.	24.00	....
Dom. Sugar, pref.	94.00	97.00
Dunlop Tire, pref.	100.50	103.00
Durant of Canada	4.00	5.25
Gillett, E. W.	73.00	....
Goodyear Cotton, 7% pref.	101.00	103.00
Gosse Packing, com.	....	41.00
Gosse Packing, pref.	....	84.50
Greening Wire, pref.	96.50	98.50
Guardian Realty, pref.	60.00	65.00
Huethers Brewing, pref.	....	4.00
King Edward Hotel "A"	81.00	84.00
King Edward Hotel "B"	75.00	77.00
Kingston Ship-Building, pf.	18.00	....
Loew's Buffalo, pref.	26.00	30.00
Loew's London, com.	4.75	5.50
Loew's London, pref.	7.75	8.50
Loew's Mansfield, pref.	85.00	....
Milton Brick Co.	16.50	....
Palace Thea. (Mont.) pfd.	80.00	....
Pure Food, com.	27.00	31.00
Simpson, Robt., pref.	102.50	....
Traymore, pref.	19.00	22.00

Insurance

	Bid	Asked
British America	45	..
Canadian Fire, full pd.	120	135
Canada Life	985	..
Canada National	18	..
Casualty of Canada, full pd.	180	190
Capital Life, 20% pd.	26	..
Confederation Life, 10% pd.	92	..
Continental Life, 10% pd.	75	85
Crown Life, full paid	325	..
Dom. of Can. Guar. & Ac.	325	..
Dominion Fire	120	..
Dominion Life, 50% pd.	450	..
Excelsior Life, 30% pd.	110	..
Federal Fire, 25% paid	42	..
Fidelity of Canada, full paid	145	160
Great West, full paid	530	550
Imperial Life, 85% paid	425	
Manufacturers Life, 55% pd.	425	475
Monarch Life, 10% paid	46	50
Montreal Life, 20% paid	72	
National Life, 25% paid	72	75
Ontario Equitable, 10% paid	39	42
Security Life, 45% paid	10	20
Sovereign Life, 25% paid	57	65
Sun Life, 75% paid	1900	
Toronto Casualty	..	26
Western Assurance	64	..

Mortgage, Loan, Etc.

	Bid	Asked
B. C. Permanent Loan	$104.00	$ ....
British Mortgage & Trust	207.00	....
Capital Trust	72.00	....
Chartered Trust	89.00	95.00
Commercial Finance, com.	24.00	28.00
Commercial Finance, pfd.	78.00	84.00
Crown Trust	125.00	....
Debentures & Sec., com.	72.00	....
Debentures & Sec., pref.	72.00	....
Lambton Loan & Savings	80.00	....
London Loan & Savings	46.00	49.00
London & West Trusts	150.00	....
Mfg. Fin., pfd. bonds, c.	5.25	6.25
Midland Loan & Savings	16.00	....
Mortgage Discount, pref.	6.75	7.50
Mortgage Discount, com.	.40	.60
Mutual Finance, com.	7.00	8.00
Mutual Finance, pref.	7.00	8.00
Peoples Loan & Savings	80.00	....
Saskatchewan Mortgage	31.00	....
Sterling Trust Co.	97.00	....
Toronto Finance, pref.	....	3.50
Waterloo Trust & Savings	115.00	....

Club Shares

	Bid	Asked
Bayview Golf	$ 20.00	$ 40.00
Lakeview Golf	45.00	70.00
Lambton Golf	435.00	....
Mississauga Golf	25.00	40.00
Rosedale Golf	135.00	....
Summit Golf	25.00	45.00
Thistledown Golf	40.00	65.00
Thornhill Golf	75.00	95.00
Toronto Winter Club	....	60.00
Weston Golf	75.00	95.00
York Downs Golf	240.00	270.00

Recent London Quotations

	Sales
Calgary Power	107
Hudson's Bay	100s.
Hudson's Bay, 5% pref.	100s.
Can. West Lumber	7s. 3d.
Standard Chemical, 7%	22½
Dominion Tar	45s.
Mond Nickel	130s.
Lake Superior	7

Recent Vancouver Quotations

B. C. Telephone, pfd., new	105b.
Pacific Coyle, com.	8b.
Goss Packing, pref.	85b.

Recent Winnipeg Quotations

	Bid	Asked
Beaver Fire Co.	120	..
Can. Fire Ins. Co.	103	..
Home Inv. and S. Assn.	75	..
N. Mtge., fully paid	80	..
N. Mtge., 50% paid	36	36
Northern Trusts Co.	50	..
Standard Trusts Co.	33	35
No. Star Oil, com.	2.60	2.90
No. Star Oil Co., pref.	5.25	..

Unlisted Bonds

	Bid	Asked
Abitibi Fibre 6s, 1947	101	102
Abitibi P. & P. 6s, 1940	106	107
Algoma Steel 5s, 1962	57	60
Alberta Pac. Grain, 6s, 1946	102	103
Bell Telephone, 5s, 1955	104¼	105½
Belgo Can. Paper, 6s, 1943	102½	104¼
Brandram-Henderson, 6s, 1939	85	90
B. C. Pulp and Paper, 6s, 1950	90	92
Brompton P. & P., 6s, 1946	102¾	104½
Burns, P. & Co., 6½s, 1943	103¼	..
Calgary Brewery, 5s, 1942	95½	97
Calgary Power 5s, 1940	93¾	95¼
Canada Biscuit, 6½s, 1946	100	101½
Canada Lt. & Pr. 5s, 1949	95	96
Can. Nor. Power 6s, 1941	102¼	103
Can. Paperboard, 7s, 1937	98	99
Can. Steamships, 5s, 1943	101	102½
Can. Steamships, 6s, 1941	102¾	103½
Can. Steel Foundries, 6s, 1936	106	..
Davies, Wm., 6s, 1942	95	96
Dominion Iron, 5s, 1939	66	70
Drummond Invest. 6½s, 1938	98½	100½
Duke Price, 6s, 1966	105¾	106½
East Kootenay Pr. 6s, 1966	104	105
Elec. Development 5s, 1933	101	102
Famous Players, 6½s, 1943	104¼	105¼
Fraser Cos., 6s, 1950	104	105¼
Gatineau Power, 5s, 1956	100½	101½
Gatineau Power, 6s, 1941	102¾	103½
Howard Smith P. & P. 6s 1941	104¾	..
King Edward Hotel, 7s, 1944	105	106
Lake Superior P. & P. 6s, 1941	106½	108
Laurentian Pr. 6s, 1936	110	..
Laurentide Pr. 5½s, 1946	101	..
Manitoba Pr. 5½s, 1951	103½	104½
Mont. L. H. & Pr. 5s, 1951	102½	103½
Mont. Pub. Service 5s, 1942	101¼	..
Nor. Ont. L. & P. 6s, 1946	104	105
Nor. West Utilities, 7s, 1938	102	104
Nova Scotia Steel, 5s, 1959	71½	75
Nova Scotia 6% Debs.	41	43
Nova Scotia Tram. 5s, 1946	96	98
Nova Scotia Tram. 7s, 1952	101½	103
Ont. Pulp & Paper, 6s, 1931	108¾	..
Ottawa Hull Pr. 6s, 1948	104	105
Ottawa L. H. & P. 6s, 1953	105	..
Ottawa Mont. Pr. 6½s, 1949	104¾	105¼
Ottawa Trac. 5½s, 1955	102½	103½
Ottawa River Pr. 6½s, 1953	102½	103½
Port Alfred P. & P. 5½s, 1957	99½	..
Price Bros. 6s, 1943	105	106¼
Prov. Lt. Pr. 5s, 1946	101¾	103
Rio Tramways 5s, 1935	95	95½
Sao Paulo Tram. 5s, 1929	99⅛	99½
St. Lawrence Paper, 6s, 1946	103¼	104
St. Maurice Valley, 5½s, 1957	99	100
St. Maurice Pr. 6½s, 1953	107¼	108½
Shawinigan W. & P. 4½s, 1967	..	97¼
Simpson's, Ltd., 6½s, 1945	104¼	104½
Southern Can. Pr. 5s, 1955	101	..
Spanish River P. & P. 8s,1941	105¾	107½
West Kootenay Pr. 6s, 1943	104	..

NEW YORK CURB

	Close Feb. 1	Close Feb. 8	Close Feb. 15
Bunker Hill	..	..	155
Can. Marconi	3¾	3⅝	3 9-16
Dom. Stores	122⅞	..	115
Fanny Farmer	..	..	40⅞
Ford Canada	525	526	..
Imp. Oil Can.	61	60¼	58½
Inter. Petrol.	39	38¼	36¾
Inter. Util. "A"	49½	..	..
Do., B	9½	8⅛	8
Nipissing	5½	5⅛	5⅛
Noranda	20¾	18	19⅞
Premier Gold	..	2¾	..

Mathew Moody Earnings Have Increased Lately

From Our Own Correspondent

MONTREAL.—Earnings of Mathew Moody & Sons Company, manufacturers of agricultural implements in the province of Quebec, have increased since the company was acquired by new interests and publicly financed. Sales during December and January have shown a gain of 50 per cent. over the corresponding months of a year ago. The company shows a satisfactory increase in the orders on its books as compared with last year, and thirty more employees have been added to the staff.

F. W. G. Hale Withdraws from Investment House

From Our Own Correspondent

MONTREAL.—F. W. G. Hale has withdrawn from the investment house of Hale, Perusse & Company, of which he was president, in order to devote his full time to other undertakings in which he is largely interested.

Dividends Declared

	Rate	Date	Record
Brazilian Tr.	1¾%	Mar. 1	Jan. 31
East. Theat., c.	50c.	Mar. 1	Jan. 31
Bank of Toronto	3%	Mar. 1	Feb. 15
Royal Bank	3%	Mar. 1	Jan. 31
Dom. Engineering	65c.	Apr. 14	Mar. 31
Capital Trust	5%	Mar. 1	Dec. 31
Famous Players, pfd.	$2	Mar. 1	Jan. 31
McIntyre	5%	Mar. 1	Feb. 1
Bank of Montreal	3%	Mar. 1	Jan. 31
Lake of Woods, c.	3%	Mar. 1	Feb. 15
Do., pref.	1¾%	Mar. 1	Feb. 15
Crow's Nest	1½%	Mar. 1	Feb. 10
Bank of Commerce	3%	Mar. 1	Feb. 14
Can. Oil, pref.	2%	Apr. 1	Mar. 20
Can. Hydro-Elec. 1st pfd	1½%	Mar. 1	Feb. 19
Wayagamack	75c.	Mar. 1	Feb. 15
Can. Malting	37½c.	Mar. 15	Feb. 29
West. Can. Flour, c.	35c.	Mar. 15	Feb. 29
Do., pref.	1⅝%	Mar. 15	Feb. 29
Photo Engravers	50c.	Mar. 1	Feb 15
Ott. & Hull Pr. pfd.	1¾%	Mar. 15	Feb. 29
Loblaw, com.	25c.	Mar. 1	Feb. 18
Do., pref.	1¾%	Mar. 1	Feb. 18
Bk. Can. Nationale	2½%	Mar. 1	Feb. 15
East Koot. Pr. pfd.	1¾%	Mar 15	Feb. 29
Stand. Chemical	1c.	Apr. 1	Feb 29
Imperial Oil,	25 + 12½c.	Mar. 1	Feb. 15
Hollinger	2%	Feb. 25	Feb. 9
Belding Cort. pfd.	1¾%	Mar. 15	Feb. 29
Anticostic Corp. pfd.	1¾%	Mar. 1	Feb. 16
Muirheads, c.	10c.	Mar. 1	Feb. 15
Do., pref.	25c.	Mar. 1	Feb. 15
E. L. Ruddy, pfd.	1¾%	Mar. 1	Feb. 15
Windsor Hotel, pfd.	1⅝%	Mar. 1	Feb. 15

McColl is to Market Cyclo Gas Next Month

MONTREAL.—The McColl division of the McColl-Frontenac Oil Company begins marketing cyclo gas by the middle of next month. Cyclo gas is a new motor fuel which has met with a favorable reception in the province of Quebec where it has been distributed by the Frontenac Oil Refineries. A new cyclo unit will be installed in Toronto and will be in operation about June or July. The McColl-Frontenac Oil Company holds the exclusive rights for the manufacture of this gas.

Sales of the McColl division of the company's activities have increased largely during the month just concluded and its entire output of fuel oil for the current year has been already contracted for.

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Current Events in Banking World

TOO EASY CREDITS GRANTED FARMERS ARE DEPRECATED

Speaker at Convention in Saskatoon Deplores System

A western bank manager in his monthly report on business sent to head office has passed remarks regarding credit made by Andrew Anderson, a farmer at Alsask, at a recent convention of agricultural societies in Saskatoon. Mr. Anderson's subject was "Farm Management in the Drier Areas of Saskatchewan" and from that part dealing with credit the following is quoted:

"Another curse of Western Canada in the past has been too much and too easy credit, and everybody lost, just as in the war. The banks, of course, lost heavily and we, as borrowers, have to foot part of the loss through high rates. Let us not forget, however, that the banks are after all custodians of the public's funds and have no right whatsoever to take undue risks. My experience has been that it is much to be preferred to have all the credit in one place and that place, the bank. To run bills in a lot of places is a nuisance and very unbusinesslike. The merchants' business is to sell goods and give service—not to do banking.

"One way to keep the small amount of credit we still have is to be honest with our banker—you cannot fool him, anyhow—and to be prompt to renew any note that you cannot pay. Credit carefully used can be made into a powerful lever on a farm."

The banks have been the subject of a great deal of criticism by the agricultural interests in the past few years, much of it uninformed, and it is, therefore, encouraging to learn of such sentiments as the above being given expression to at an important agricultural convention.

Hamilton Clearing House Exceeds Last Year's Total

The annual meeting of the Hamilton Clearing House was held in the board room, Bank of Montreal Chambers, on Thursday, Feb. 9th, at which all the members were present, with A. C. Skelton in the chair.

The following officers were elected for the ensuing year—Chairman, F. S. Glassco; vice-chairman, A. E. Tayler; advisory committee, with the above, J. Stephen, T. Peacock, E. V. Illsey, A. C. Rowe, manager and sec.-treas.

The total clearings for the year were $296,401,045, showing an increase over the previous year of $27,998,436. The figures for the three years, 1925-7, are: 1925, $250,224,656; 1926, $268,402,609; 1927, $296,401,045.

The following statistics in connection with the city of Hamilton for the three years, 1925-7, are:

CUSTOMS COLLECTIONS

1925, $9,742,893; 1926, $12,663,449; 1927, $11,830,695.

BUILDING PERMITS

1925, $2,673,830; 1926, $3,130,950; 1927, $3,837,150.

FIRE LOSS

1925, $160,258; 1926, $940,969; 1927, $272,673.

These figures may be considered very satisfactory, the loss for 1927 being 65 per cent. lower than 1926.

LOCAL FAILURES

1925, 47 failures, with liabilities of $305,000; 1926, 34 failures, with liabilities of $318,000; 1927, 40 failures, with liabilities of $812,000.

The population, according to the city Assessment Dept., is: 1925, 122,495; 1926, 123,359; 1927, 127,447.

Business during the year was fair. Factories on the whole have done well. The advent of a branch of one of Canada's best known retailers has apparently affected the trade in their particular lines, though in course of time the influx of purchasers from outlying districts may be of benefit to the trade generally.

At the present time there seems to be quite an optimistic feeling as to the prospects for the coming year. Several new and large buildings are to be erected, including a new station for the Canadian National, a modern office for the bank of Montreal, and the Pigott Building.

Safety Program Urged Upon All Bankers

Eighteen hundred banks have been warned to take special precaution against the "time lock" burglars in a special bulletin issued by W. E. Rowens, manager of the protective department of the Illinois Bankers' Association.

Four safeguards were urged in the bulletin issued by Mr. Rowens:

1. Change the combination so that no one employee will know more than half of it, thus requiring at least two men to open the lock.
2. Set the time lock for a half hour after all employees have arrived.
3. Have special police always present at the time set for the time lock.
4. Never open the bank unless a certain number of employees are present.

Thousands of bank employees who carry with them the combinations of vaults have become terrified by the wave of robberies, Mr. Rowens disclosed. They go home attended by guards and never answer the door bell.

Pinkerton officials admitted that their investigations point to the development of a new technique in bank burglary gained by one gang after years of systematic research.

Fire clay deposits along the Mattagami River, in the vicinity of Smoky Falls, Northern Ontario, have been proved by the government to be of such extent and of so rich a quantity that immediate setting aside of the area for purely governmental development is anticipated.

The log scale of British Columbia in 1927 was 2,853,702,462 feet.

Weekly Bank Clearings
(As compared with same week last year)

Eastern Cities	Feb. 10, 1927	Feb. 9, 1928
Montreal	$108,944,974	$141,089,741
Toronto	98,352,036	151,651,682
Halifax	2,652,768	2,846,828
St. John	2,394,114	2,600,320
Moncton	688,487	881,471
Sherbrooke	900,933	877,548
Quebec	5,161,144	5,506,080
Ottawa	5,895,201	8,192,058
Kingston	611,066	782,730
Peterboro	822,420	828,529
Hamilton	4,809,081	5,484,433
Brantford	1,202,764	1,244,537
Chatham	669,295	989,601
London	2,590,943	3,183,205
Kitchener	1,077,576	1,246,300
Windsor	4,179,350	4,168,287
Sarnia	591,520	495,633
Fort William	717,096	811,829

Western Cities	Feb. 10, 1927	Feb. 9, 1928
Winnipeg	$ 39,192,710	$ 48,570,854
Brandon	418,917	787,480
Regina	3,911,856	2,083,890
Saskatoon	1,608,225	2,083,890
Moose Jaw	1,030,648	1,233,334
Prince Albert	335,608	437,379
Lethbridge	482,031	635,880
Calgary	6,929,119	12,248,022
Edmonton	5,230,919	7,444,329
Medicine Hat	266,126	729,692
New Westminster	658,715	729,692
Vancouver	14,584,839	21,327,334
Victoria	2,065,522	2,443,017

Analysis is Formed of Bank Statement

75% of Canadian People's Savings Were Placed in Current Loans in Dominion

By C. PAYELL

Savings deposits in Canada on December 31, 1927, totalled $1,445,000,000 and of that amount $1,083,000,000 or 75 per cent. of the Canadian people's savings were placed in current loans in Canada.

The figures below show the distribution of capital and reserves, savings, loans, etc., as applicable to individual banks.

It will be noted that the "Big Three" hold savings deposits in Canada amounting to $932,000,000 or 65 per cent. of the total, while the same trio control $692,000,000 of current loans in Canada, or 64 per cent. of the total. It is interesting to observe that capital and reserves of the "Big Three" represent 64 per cent. of the total, the given percentages showing how closely related are capital, deposits and loans.

Call loans in Canada and elsewhere totalled $531,000,000, the "Big Three" controlling $395,000,000 or 74 per cent. of the total.

In Canada, the Bank of Montreal continues to hold first place. Elsewhere the Royal Bank figures (apart from call loans) outstrip any other bank by a wide margin.

CAPITAL & RESERVES IN ORDER OF IMPORTANCE

		000,000 omitted	Percentage to total
1	Montreal	61	23
2	Royal	60	23
3	Commerce	40	16
4	Nova Scotia	30	12
5	Dominion	14	6
6	Imperial	14	6
7	Toronto	12	5
8	Nationale	11	4
9	Standard	8	3
10	Provinciale	5	2
	Total	255	

SAVINGS DEPOSITS IN CANADA $1,455,000,000

		000,000 omitted	Percentage of total
1	Montreal	394	27
2	Royal	298	21
3	Commerce	240	17
4	Nova Scotia	128	9
5	Nationale	92	6
6	Imperial	70	5
7	Dominion	69	5
8	Toronto	63	4
9	Standard	54	4
10	Provinciale	34	2
	Total	1442	

CURRENT LOANS IN CANADA TOTAL $1,082,000,000

		000,000 omitted	Percentage to total loans
1	Montreal	254	23
2	Royal	226	21
3	Commerce	212	20
4	Nova Scotia	79	7
5	Nationale	63	6
6	Toronto	60	6
7	Imperial	60	6
8	Dominion	58	5
9	Standard	51	5
10	Provinciale	18	1
	Total	1081	

AMOUNT AND PERCENTAGE OF EACH BANK'S SAVINGS PLACED IN CURRENT LOANS IN CANADA

		000,000 omitted	% to Savings placed in loans
1	Standard	51	96
2	Toronto	60	95
3	Commerce	212	88
4	Imperial	60	85
5	Dominion	58	84
6	Royal	226	75
7	Nationale	63	69
8	Weyburn	2	66
9	Montreal	254	64
10	Nova Scotia	79	61
	Total	1065	

CALL LOANS IN CANADA AND ELSEWHERE TOTAL $531,000,000

		000,000 omitted	Percentage to total
1	Montreal	185	35
2	Royal	136	25
3	Commerce	74	14
4	Nova Scotia	39	8
5	Dominion	21	4
6	Imperial	19	4
7	Toronto	17	3
8	Standard	15	3
9	Nationale	14	2
10	Provinciale	11	2
	Total	531	

DEPOSITS AND CURRENT LOANS ELSEWHERE

000,000 omitted

		Deposits	% to total	Current Loans	Percentage to total
1	Royal	188	50	159	60
2	Montreal	101	27	56	21
3	Commerce	48	13	26	10
4	Nova Scotia	34	9	22	8
5	Dominion	3	1	1	
6	Nationale	1			
	Total	375		Total 264	

CURRENT GOLD AND SUBSIDIARY COIN INCLUDING DEPOSITS IN CENTRAL GOLD RESERVES $152,000,000

		000,000 omitted	Percentage to total
1	Montreal	51	33
2	Royal	37	24
3	Commerce	22	14
4	Nova Scotia	16	11
5	Nationale	9	6
6	Toronto	5	3
7	Dominion	4	3
8	Imperial	4	3
9	Standard	3	2
	Total	151	

Weyburn Security Bank has been omitted in the above calculations.

Bank Chat

The Bank of Montreal has opened a branch at The Pas, Man., under the management of M. Hunter.

K. A. Paddon, manager of the St. John's, Nfld., branch of the Bank of Montreal for the past twenty-five years, is dead.

J. H. Nelson, formerly of Victoria, B.C., has been appointed accountant of the Imperial Bank of Canada, at Portage la Prairie.

James Mackie, joint manager of the London, Eng., office of the Royal Bank of Canada, is slowly recovering from a prolonged illness.

The directors of the Standard Bank of Canada are giving a dance for the staff on Thursday night, Feb. 23, at Jenkins' Art Gallery, Toronto.

M. E. A. Marshall, formerly accountant of the Imperial Bank of Canada, at Portage la Prairie, has been appointed manager, Hepburn, Saskatchewan.

Sir Robert Kindersley, a director of the Bank of England and the London partner of Lazard Freres, has arrived in New York on the Berengaria for a three weeks' visit.

W. G. Chambers, formerly accountant of the Imperial Bank of Canada, at Prince Albert branch, has been appointed accountant, Calgary branch, vice R. M. Virtue, who is being attached to the Inspectio Staff.

Harold M. Monteith, accountant of the Bank of Montreal, at Simcoe, formerly of Stratford, and a son of ex-Mayor John C. Monteith, of Stratford, has been appointed manager of the Waterford branch.

Thomas Ahearn, chairman of the Canadian Federal Improvement Commission, director of the Bank of Montreal, and president of the Ottawa Electric Railway Company, has been admitted a member of the Canadian Privy Council.

Decrease Profits Shown by Britain's "Big Five"

The aggregate net profits of the "Big Five" banks of Great Britain amounted to £11,562,920 in 1927, a decrease of £196,439, or 1.7 per cent., as compared with 1926. With one exception the net profits of each of the banks is on a smaller scale than in 1926, the exception being the Midland Bank, whose earnings were .75 per cent. larger in 1927 than a year earlier, £2,554,650 in 1927 against £2,535,730 in 1926. Barclays Bank showed profits amounting to £2,306,320 in 1927, a reduction of over £120,000, or about 5 per cent., while dividends rose about £5,000 to £1,666,300. Lloyds Bank showed net profits of £2,475,670, as against £2,523,582 in 1926, and their dividends remained at £1,973,800. The National Provincial results showed a slight reduction—1 per cent.—in net profits, to £2,093,450 from the 1926 figure of £2,115,650. Dividends here, too, remained at the same figure as in 1926, namely, £1,706,295. The net profits of the Westminster Bank decreased 1 per cent.—from £2,157,230 in 1926 to £2,132,800 in 1927—and dividends amounted in both years to £2,614,790.

Canadian bond sales for the year to date total $41,782,328, as compared with $74,149,628 for the corresponding period of last year and $155,033,502 for that of the year before.

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BROKERS ADVISE ACQUIRING SHARES IN CALGARY LAND

Circular Points Out Company Has Been Consistent Dividend Payer

Nanson Rothwell & Co., Vancouver stock brokers, recently published a circular urging investment in the stock of Calgary & Edmonton Land Co. at or near $12 the share.

Calgary & Edmonton Land Co. is an English company and, in addition to the trading at Vancouver, the stock is listed in London. The somewhat guarded statement of the company's managers, Osler, Hammond & Nanton, Winnipeg, is to the effect that the company ultimately may hope to gain from the development of mineral resources in Alberta.

The company was formed in 1901 to hold the land granted to the Calgary & Edmonton Railway Company by the government. The railway is now a part of the C.P.R., but the land has been held for sale. In the sale of the land, the mineral rights were retained by the company and the company still owns 56,000 acres, which are valued conservatively at $10 the acre.

The circular which is referred to points out that the company has been a consistent dividend payer for many years, with the exception of the war period, and the belief is expressed that dividends can be maintained indefinitely even though there are no developments in the oil fields for the benefit of this company.

It also is pointed out that the leases are free of taxation and that the price of the stock puts a valuation of $3 the acre, whereas the Dalhousie holdings are valued at $2,000 an acre, Royalite at $1,445 an acre and Home Oil at $8,000 an acre. The company has 400 times as much land as Dalhousie, 100 times as much land as Royalite and 4,300 times as much as Home Oil. The original acreage held by this company was 860,000.

This company owns several thousand acres in Turner Valley, where there already are a dozen producing wells. It is understood that Royalite No. 6, now down about 4,000 feet, is on this company's property.

Test Pits to be Sunk at St. Anthony Gold

HAILEYBURY.—Test pits are being sunk in the mineralized zone of the St. Anthony Gold Mines, Montbray Township, Que. It has been determined that this zone has a width of at least 200 feet and a length of 300 feet. A magnetometer survey is also being carried out, and will be followed by diamond drilling.

No commercial ore has yet been found, but the heavy mineralization, together with the promising geological conditions which have been encountered on the property are considered decidedly encouraging.

What is Your Source of Information?

THREE sources of information are open to every investor: (1) his own judgment, (2) the advice of those who sponsor the securities he buys, (3) impartial advice of investment experts. Successful investors and conservative financial institutions everywhere in increasing numbers are using our Service in support of their own judgment and opinions.

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Saskatchewan General Trusts Corporation
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Subscribed Capital - - - $1,000,000.00
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Special attention given Mortgage Investments; Collections, Management of Properties for Absentees and all other agency business.
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Official Administrator for the Judical Districts of Weyburn, Arcola and Estevan

CORPORATE TRUSTS

A reliable Trust Department is the result of many years of experience. As a Corporate Trustee, we execute the following trusts:—

Trustee under Mortgages and Deeds of Trust securing bonds of incorporated companies,

Transfer Agent and Registrar of Stock,

Depositary under protective agreement, or under plans of reorganization,

Agent and Depositary for Voting Trustees,

Fiscal Agent for the payment of dividends and coupons.

The
TORONTO GENERAL TRUSTS CORPORATION
"Canada's Oldest Trust Company"—Established 1882
Toronto Montreal Ottawa Winnipeg Saskatoon Vancouver

Good Butter Yield in New Brunswick

Reviewing accomplishments in the dairy industry before the 52nd. annual convention of the New Brunswick Farmers' and Dairymen's Association, Hon. Lewis Smith, provincial minister of agriculture, quoted statistics which had not hitherto been made public, showing 1,876,483 lbs. as the butter production in New Brunswick in 1927; this was an increase of 35.2 per cent. over the year before, whereas the only other provinces reporting any increase in butter production in 1927 were Nova Scotia, with a gain of 7.2 per cent., Prince Edward Island, with an estimated increase of 8.5 per cent., and British Columbia, with an increase of 1.8 per cent. Other provinces made large shipments of milk and cream instead of butter.

CANADIAN RUBBER ENDS BEST YEAR IN EXPORT TRADE

Manufacturers Have Increase of Approximately $2,000,000 in 1927

Canadian rubber manufactures concluded with 1927, one of the best export years they have had in some time.

According to returns compiled by the Department of Trade and Commerce, the total value of all rubber goods exported from Canada last year was $27,933,997. This compares with $26,003,827 in the previous year, an increase of approximately $2,000,000.

From a monetary standpoint, this showing would have been even better if prices had remained stationary. Of recent months, the Stevenson restriction plan has not been as effective as originally planned, and the price of raw rubber has fallen away to levels lower than those prevailing in 1926.

Of the trade transacted by Canadian companies last year, pneumatic tires represent the most important single item. Inner tubes and canvas shoes with rubber soles were also well up on the list, as will be seen from the following:

	1927	1926
Bicycle tires	$ 6,885	$ ......
Solid tires	438,926	312,526
Pneumatic tires	16,913,065	14,645,309
Inner tubes	3,143,901	2,567,105
Belting	500,935	621,200
Boots and shoes	1,865,672	2,740,594
Canvas shoes	3,835,443	3,829,291
Other	748,491	602,241
Hose	256,696	272,966
Clothing	24,164	28,284
Insulated wire	199,819	384,311
	$27,933,997	$26,003,827

Analysis of the returns show that Argentina was the best market in 1927 for Canadian-made solid rubber tires and inner tubes. New Zealand lead in the purchase of pneumatic tires and insulated wire, while British South Africa topped the list for rubber belting, and canvas shoes. The United Kingdom led in the purchase of rubber boots and shoes, and "other rubber goods." Curiously enough, the United States was our best customer for rubber hose, and Newfoundland for rubber clothing.

In all, shipments were made to nearly ninety countries, including such out of the way places as Gambia, Gold Coast, Sierra Leone, Canary Islands, Italian Africa, Madagascar, Syria, Iraq and Malta.

It is significant that a very large percentage of the total trade in manufactured rubber carried on by Canada is done with countries within the Empire. The marketing of a large number of Canadian-made automobiles in various parts of the Empire has opened the way for rubber tires, tubes, etc.

Installation of machinery that is unique in any seed plant on the American continent has been effected by the Registered Seed Growers' plant here with a Kopper Karbonate Koverall machine coming into operation.

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PRIDE

Master Workmen Work for Canada

IN NORTHERN ELECTRIC plants and branches 4,623 workers daily exert all their wealth of training and experience to create, perfect and distribute much of the equipment necessary to transmit electric current to supply the needs of Canadian householders and Canadian industries from coast to coast. Thus each worker is playing an important part in the development of Canada and in the building of a great industrial nation.

The guild spirit, which inspired the master craftsmen of former days and created a standard of perfection which was easily recognizable by all, is strong in the hearts and minds of these workers. This healthy pride of workmanship has become a part of every product of NORTHERN ELECTRIC workshops.

The NORTHERN ELECTRIC COMPANY is proud of the record of service of its employees. The oldest employee in point of service has been with the company for forty-nine years; another man for forty-four years; and a third for forty-three years. There are twenty men who have a record of more than thirty-five years of service; sixteen who have been with the company upwards of thirty years; one hundred and twenty-six for more than twenty-five years; and one hundred and ninety-seven for more than twenty years.

Information
It is inevitable that this wealth of experience has been reflected in the high standard of NORTHERN ELECTRIC products which are in daily use for the service of Canadians and the development of Canada's resources.

Northern Electric
COMPANY LIMITED
Equipment for transmitting Sound and Power

235R

Better Profits Revealed by Woods Maufacturing

In Year Just Ended Company Made Sufficient Profits to Meet All Charges and Leave Small Surplus Applicable to Common Shares

From Our Own Correspondent

MONTREAL.—The annual report of the Woods Manufacturing Company covering the operations of the 1927 year reveals a decided betterment in profits and in the working capital position as compared with 1926 when large sums were written off the inventory due to the violent fluctuations in the markets for raw cotton and jute from which the company manufactures practically its entire output of cotton textiles and bags, sacking and tarpaulins of every description. In the year just ended, the company made sufficient profits to meet all charges and to leave a small surplus applicable to the common shares as against an operating deficit in the preceding year.

The following figures, which compare the income account and working capital figures of the past three years, show the improvement which 1927 witnessed in the position of the company:

	1927 $	1926 $	1925 $
Op. inc.	229,678	*28,485	(a)310,647
Bond Int.	56,640	58,507	60,525
Deprecn.	33,314	33,314	64,195
Inc. tax	12,929	......	.(a).
Net inc.	126,795	(d)63,336	185,900
Pfd. divd.	106,981	106,981	106,981
Surplus	19,814	(d)170,317	78,919
Prev. surp.	206,153	176,470	97,551
Total	225,967	6,153	176,470
†Transfer	....	200,000	......
P. & L. bal.	225,967	206,153	176,470

* After writing off losses resulting from the depreciation in market values of cotton and jute.

† Transferred from rest account to offset the losses on cotton and jute referred to above.

(a) Income tax provided for before operating income.

(d) Deficit.

The working capital position:

	1927	1926	1925
Curr. Asst.	$1,871,938	$1,787,483	$2,260,596
Curr. Liab.	748,073	698,284	960,509
Net W. Cap.	$1,123,865	$1,089,199	$1,300,087

With the exception of an increase of $145,000 in the inventories, the assets on the balance sheet have changed only marginally from the close of the 1926 year. In the liabilities, the bank loan has increased from $222,000 to $384,000 while accounts payable at $350,963, are lower by $112,000. The total assets and liabilities increased by less than $100,000 during the year.

McColl-Frontenac January Sales Up

McColl-Frontenac have announced plans for the immediate expansion of their distributive system both as regards bulk stations and retail depots. New bulk stations are being erected at Kingston, Smiths Falls, Brockville, Cornwall, Parry Sound and Kirkland Lake. Pumps are planned for Lansdowne, Mille Roches, Mallorytown, Lancaster, River Beaudette, Iroquois and Cardinal.

On completion of these plans, McColl-Frontenac will have a complete chain of service stations on the highway between Montreal and Toronto. The company has acquired property at Monkland and Sherbrooke Streets in Montreal. It is now operating in Western Canada with a very fine filling station in Winnipeg. A new station is planned for Ottawa.

In addition to the wide distribution effected through garages and privately owned filling stations, the McColl-Frontenac Oil Co. owns and operates 55 retail gas stations.

An interesting feature of many of the company's new filling stations in Quebec is that they will be distinctively Canadian in architecture, being patterned after the stone farm houses of old French Canada.

The McColl Division of the McColl-Frontenac Oil Co. records an increase of 40 per cent. in sales for January, 1928, as compared with the same month last year. The company's prospects for the coming year are indicated by the fact that the entire output of fuel oil for 1928 has been contracted for.

WARNER & COMPANY

120 St. James Street, Montreal

OTTAWA: 202-3 HOPE CHAMBERS

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1927

THE MONTREAL COTTONS LIMITED

THE ANNUAL REPORT of the Directors to the Shareholders, at this, the Fifty-fifth Annual Meeting, held at their office in Montreal on Wednesday the fifteenth day of February, nineteen hundred and twenty-eight, at the hour of twelve o'clock noon.

Gentlemen: Your Directors have much pleasure in submitting the Annual Report of the operations of your Company for the year ending December 31st, 1927. The sudden changes in prices of raw cotton have been quite a problem, preventing stability in prices and curtailing business and with the ever increasing importations from foreign countries made possible by low wages paid the employees, our market is a difficult one. Sales for the year amounted to $5,289,235.98, showing a decrease from the previous year of $336,781.46. The usual depreciation has been provided for. The dredging of the waste water race during the year has cost $72,243.37, making a total of $213,254.52 spent in the two years. This work will be finished in March, adding in the neighborhood of 3,000 H. P. New machinery and water improvements amounting to $158,745.19 and replacement machinery amounting to $29,262.79 have been added to the property. On account of the housing problems, the Company has built during the year, 19 Cottages at a cost of $66,021.77. The Beauharnois Electric Company made your Company an offer of $250,000.00 for the Valleyfield Electric Company, and their offer was accepted. This comprised the distributing system, we retaining the Power House and Charter, agreeing to forfeit all rights of power and lighting in the city of Valleyfield and neighboring parishes. The regular dividends on preferred and common stock have been paid during the year. The plant has been fully maintained and is in excellent condition. We have much pleasure in commending the efficiency of the Officers and staff of the Company, and the loyalty and diligence of the employees throughout the works. The Annual Audited Statement of the Company's affairs and the Auditor's Report will now be read. All the Directors retire and are eligible for re-election. The whole respectfully submitted.

C. B. GORDON, *President.*

BALANCE SHEET AS AT 31st DECEMBER, 1927

ASSETS		
Fixed:		
Land, Buildings, Machinery and Equipment	$4,877,853.20	
Less—Depreciation for year	230,000.00	
		$4,647,853.20
Sinking Fund Assets:		
Deposited with Trustee for Bondholders		22,330.37
Liquid:		
Cash on hand and in Bank	61,814.73	
Accounts Receivable	806,612.42	
Inventories of Merchandise Manufactured and in process	1,471,644.49	
Raw Cotton	779,196.35	
Supplies	343,150.62	
Investments	807,899.10	
		4,270,317.71
Deferred Charges to Operations:		
Unexpired Insurance and Taxes		19,544.95
		$8,960,046.23

LIABILITIES		
Current:		
Accounts Payable, accrued interest, wages, etc.		$1,002,824.62
Bonds:		
The Montreal Cotton Co. 1st Mortgage Sinking Fund 5% due 1943	$1,000,000.00	
Less redeemed	416,973.33	
(Outstanding in Sterling	£119,800)	583,026.67
Capital Stock:		
7% Cumulative Pfd.— Authorized 5,000,000; Issued	3,000,000.00	
Common— Authorized 5,000,000; Issued	3,000,000.00	
		6,000,000.00
Surplus and Reserves:		
Bond Sinking Fund	439,303.70	
Pension Fund	60,825.65	
Profit and Loss Account (subject to Income Tax for 1927)	874,065.59	
		1,374,194.94
		$8,960,046.23
Contingent Liabilities:		
Bills receivable under discount	$21,959.00	

PROFIT AND LOSS ACCOUNT

To Bad Debts written off		$ 23,276.88
" Bond Interest		29,151.32
" Transfer to Bond Sinking Fund Reserve		22,330.37
" Dividends:		
Preferred	$210,000.00	
Common	180,000.00	
		390,000.00
" Balance—as per Balance Sheet (subject to Income Tax for 1927)		874,065.59
		$1,338,824.16

By balance forward 1st January, 1927	$886,619.42	
Less— Income Tax 1926	27,096.21	
		859,523.21
" Manufacturing profits		383,763.43
" Returns from Investments, Rents, etc.		95,537.52
		$1,338,824.16

JOHN LOWE, *Secretary-Treasurer*

C. B. GORDON, F. W. MOLSON, *Directors*

AUDITOR'S CERTIFICATE

We beg to state that we have examined the above Balance Sheet and Profit & Loss Account, and we certify that in our opinion they are properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the books of the Company. We have obtained all the information and explanations which we have required.

Montreal, 8th February, 1928.

McDONALD, CURRIE & CO., Chartered Accountants.

MONARCH KNIT BALANCE SHEET NOW STRONGER

Bank Loans Reduced—Working Capital Higher for Year

Monarch Knitting Co. shows earnings of $78,045 for the year 1927, compared with earnings of $32,681 in 1926 and a deficit after depreciation of $152,073 in 1924. As no dividends are being paid, the whole of the 1927 profit, less reserve of $6,368 for income taxes, goes into corporate surplus, which thus stands at $456,953.

The tone of the balance sheet is much improved, indicating that the company may have turned the corner and can look forward to more prosperous years, especially if there are some adjustments in the tariff which will govern competition from European sources.

Some of the more significant changes in the balance sheet are reduction in bank loans from $622,137 to $487,537, reduction in bills payable from $157,337 to $123,624, reduction in accounts payable from $79,841 to $59,535. The company now is definitely freed from obligations in connection with the ill-starred Buffalo venture and no account of this appears in the current balance sheet.

Total of current liabilities is reduced from $860,816 to $672,197, and current assets are down somewhat from $1,437,581 to $1,318,336. Working capital thus is higher, increasing from $576,765 to $646,139 at the close of 1927.

In the course of the year the company installed and began operating machinery for the manufacture of new lines of goods and the result, following the institution of an aggressive advertising campaign, has been satisfactory. This new business, it is said, accounts in large degree for the improvement noted in the balance sheet and is one of the primary reasons that shareholders can be more hopeful with regard to this company.

The preferred stock is now 21 per cent. in arrears of dividend. Until recently it was selling around 50 but on a single transaction this week rose twenty points. Although some advance information on the balance sheet might account for part of this rise, it would seem that only some possible changes in the tariff could account for the whole of the rise.

Resumption of dividends on the preferred stock is not an early prospect.

Profit and Loss

	1927	1926	1925
Net Profits	$ 78,045	$ 32,681	*$152,073
Prev. Bal.	385,075	352,594	504,667
	$456,953	$385,275	$352,594

* Deficit.

National Breweries is Gaining Favor

From Our Own Correspondent

MONTREAL.—The reason for the continued appreciation of the shares of the National Breweries lies apparently in the general concensus of investment opinion which feels that the management has virtually decided on its capital readjustment, whereby the common stock will be split, probably on a basis of two new no par value shares for each share now held. It is said that the new stock will carry a $3 annual dividend. This would mean a disbursement of $6 a share on the existing stock as against the present rate of $4.

The annual report of the company which will appear shortly will show earnings on the common of around $10 a share with a surplus after dividends payment of almost $1,000,000, it is understood.

QUEBEC POWER REPORTS SUBSTANTIAL INCREASE IN ALL ITS ACTIVITIES

(Continued from page 13)

ies. In the liabilities the company this year shows its capital stock as $10,000,000 which represents 400,000 no par value shares. A year ago the capital stock of the company stood at approximately $7,600,000 of which $3,592,000 was preferred stock and $4,026,000 was common stock with a par value of $100. Since then the preferred stock has been redeemed and the common has been exchanged for no par value stock and an additional issue of shares has been made. Depreciation reserve now stands at $461,389 as against $358,388 a year ago. Profit and loss surplus shows a big increase over last year, and is $303,580 as against $152,000 at the end of 1926. In the 1927 balance sheet the surplus account is subject to income tax which has yet to be deducted.

The company's working capital position has been materially reduced, the comparative figures for the past three years being as follows:

	1927	1926	1925
Current assets	$930,555	$1,216,807	$1,539,865
Current liab.	599,558	379,452	294,774
Work. capital	$330,997	$837,354	$1,245,090

In its revenue or profit and loss account the company shows a gross income for 1927 of $1,570,230 as against $1,238,301 in 1926. This increase in gross income is well reflected in the net revenue which stands at $856,227 for 1927 as against $567,267 for 1926. Comparative figures are as follows:

	1927	1926	1925
Gross income	$1,572,230	$1,238,301	$1,046,943
Less:			
Oper. exp.	316,003	271,034	236,444
Interest	300,000	300,000	300,000
Depreciation	100,000	100,000	60,000
Net revenue	$856,227	$567,267	$450,499
Less dividends	666,754	472,350	406,252
Surplus	$189,472	$94,917	$44,225
Add prev. surp.	114,107	57,576	36,006
P. & L. bal.	$303,580	$152,493	$80,232

In the annual report President Julian C. Smith gives some statistics which show the increased activities of the company and its subsidiaries in the territory which it serves. In its Tramways operations the number of revenue passengers increased by 1,057,734 during the year and amounted in 1927 to 19,367,213. In its Montmorency division, the company carried 124,808 more passengers than in 1926, the total in 1927 being 1,578,345, and also it carried 85,413 more tons of freight than in the previous year. Taking its electrical department as a whole, the number of kilowatt hours generated and purchased amounted to 109,788,750 in 1927, which is an increase of 30,617,691 over the previous year. Some of the smaller companies which were taken over by Quebec Power during the year were the Kamouraska Hydro Electric Company, the Basin Electric Company and La Corporation d'Energie Montmagny.

LONDON LIFE OPENS ITS NEW BUILDING

Distinguished Gathering as Big Function Proceeds at London

London Life Insurance Company entered officially into its new head office building at London, Ont., this week. The company "unofficially" has occupied this handsome million dollar structure since September last, but the ceremonial opening was deferred to harmonize with the annual convention of the company's leading salesmen.

The building was described in a recent supplement to The Financial Post. Guests at the function included:

Hon. W. D. Ross, lieutenant-governor of Ontario, who opened the building; G. D. Finlayson, superintendent of insurance, Ottawa; John Appleton, secretary, Canadian Life Insurance Officers' Association, Toronto; J. B. Hall, C. L. U. president, Life Underwriters' Association, Sun Life Assurance Company, Toronto; Harry Urquhart, vice-president, Life Underwriters' Association, London; A. N. Mitchell, assistant general manager, Canada Life Assurance Company, Toronto; C. R. Acres, secretary, Canada Life Assurance Company, Toronto; W. A. P. Wood, actuary, Canada Life Assurance Company, Toronto; A. C. Ramsay, superintendent of agencies, Canada Life Assurance Company, Toronto; C. S. Macdonald, general manager, Confederation Life Association, Toronto; Geo. B. Woods, president and managing director, Continental Life Insurance Company, Toronto; C. A. Withers, general manager, Dominion of Canada Guarantee Company, Toronto; Thos. Hilliard, president, Dominion Life Assurance Company, Waterloo; F. S. Humpf, general manager, Dominion Life Assurance Company, Waterloo; H. Sutherland, president and general manager, Equity Life Insurance Company, Toronto; Geo. M. Begg, secretary, Equity Life Insurance Company, Toronto; T. A. Dark, general manager and actuary, Excelsior Life Insurance Company, Toronto; J. F. Weston, managing director, Imperial Life Assurance Company, Toronto; Geo. H. Hunt, superintendent of agencies, Imperial Life Assurance Company, Toronto; Mr. Hobson, assistant superintendent of agencies, Imperial Life Assurance Company, Toronto; Major Hume Cronyn, president, Mutual Life Assurance Company, Waterloo; W. H. Somerville, general manager, Mutual Life Assurance Company, Waterloo; H. M. Cook, secretary, Mutual Life Assurance Company, Waterloo; J. M. Laing, actuary, Mutual Life Assurance Company, Waterloo; J. F. Honsberger, medical director, Mutual Life Assurance Company, Waterloo; W. Carlisle, superintendent of agencies, Mutual Life Assurance Company, Waterloo; F. Sparling, manager, National of Canada, Toronto; John M. Fisher, actuary, National of Canada, Toronto; A. H. Beaton, president, National of Canada, Toronto; representative from the North American Life Assurance Company, Toronto; R. C. MacKnight, manager, Northern Life Assurance Company, London; Chas. R. Bissell, actuary, Northern Life Assurance Company, London; Richard C. Balfour, accountant, Northern Life Assurance Company, London; S. C. Tweed, president, Ontario Equitable Life Insurance Company, Waterloo; H. E. North, third vice-president, Metropolitan Life Insurance Company, Ottawa; J. D. Craig, actuary, Metropolitan Life Insurance Company, New York.

In addition, 265 out-of-town members of the London Life family were present.

Fall in Profits Shown by Montreal Cottons

Balance Sheet Remains as Strong, or Stronger—Company Expended Large Sums of Money on New Machinery During Year

From Our Own Correspondent

MONTREAL.—The annual report of the Montreal Cottons, Limited, for the year ending December 31 last, shows a marginal decline in gross and net profits and a somewhat larger falling off in total sales. The balance sheet position, however, remains as strong, or stronger than ever. Without affecting its liquid position, the company in the year just concluded expended large sums on new machinery, in replacements and in adding to its power resources. The results of the year's operations are revealed in the following figures which compare the income accounts and working capital figures over the past three years:

	1927 $	1926 $	1925 $
Mfg. prof.	383,763	396,469	446,329
Other inc.	95,537	96,688	63,627
Total inc.	479,300	493,157	509,956
Deduct:			
Bond Int.	29,151	28,909	29,954
Bad debts	23,276	3,370	987
Net Inc.	426,873	460,878	479,015
Pfd. divds.	210,000	210,000	210,000
Balance	216,873	250,878	269,015
Com. divds.	180,000	180,000	180,000
Surplus	36,873	70,878	89,015
*Prev. surp.	859,523	1,193,998	1,125,836
Total	896,396	1,264,876	1,214,851
†Transfer	22,330	378,257	......
P. & L. bal.	874,065	886,619	1,214,851

* Income Tax for preceding year deducted.

† To bond sinking fund reserve.

Working capital position:

—December 31—	1927 $	1926 $	1925 $
Cur. assets	4,270,317	4,035,887	4,028,863
Cur. liab.	1,002,824	918,045	915,698
Net W. Cap	3,267,493	3,117,842	3,113,165

The balance sheet shows that the property account now stands at $4,647,853 as against $4,828,125 a year ago. In part, the reduction is due to the depreciation charge last year of $230,000. Cash account and inventories are carried at a higher figure than at the close of 1926. The increase in the current assets is partly offset by a substantial decline in the company's outstanding loans. The figures in the liabilities show no significant changes as compared with the preceding year.

In his remarks to the shareholders, Sir Charles Gordon said:

"The sudden changes in prices of raw cotton have been quite a problem, preventing stability in prices and curtailing business, and with the ever increasing importations from foreign countries made possible by low wages paid the employees, our market is a difficult one.

"The dredging of the waste water race during the year has cost $72,243, making a total of $213,254 spent in the two years. This work will be finished in March, adding in the neighborhood of 3,000 h.p.

"The Beauharnois Electric Company made your company an offer of $250,000 for the Valleyfield Electric Company, and their offer was accepted. This comprised the distributing system, we retaining the power house and charter, agreeing to forfeit all rights of power and lighting in the city of Valleyfield and neighboring parishes."

SUBSTANTIAL GAIN FOR ROYAL TRUST

Net Earnings for Year, After Deducting Expenses, Were $362,517

From Our Own Correspondent

MONTREAL.—At the annual general meeting of the Royal Trust Company the shareholders learned that the assets of the company were largely increased and that earnings for the year showed a substantial gain. The shareholders authorized an increase and an allotment of the capital stock of the company.

The net earnings for the year after deducting management and all other expenses and providing for all taxes and contingencies were $362,517, as against $301,832 in the previous year.

On the recommendation of the directors, the shareholders authorized an increase in the capital stock of the company from $1,000,000 to $2,000,000, and the directors subsequently allotted the new shares to the shareholders pro rata share for share at $150 per share; and transferred $500,000 from the profit and loss account to the reserve fund, increasing the latter to $2,500,000. When the new stock has been paid for the company will have a paid-up capital of $2,000,000, a reserve fund of $3,000,000 and unappropriated profits of $201,138.

The assets under administration by the company increased during the year from $382,000,000 to $406,000,000. This does not include trusteeships for bond issues which form an important part of the company's business, but the assets of the companies making such issues are not in any sense administered by the trust company.

TO LIST NEW DISTILLERS

One of the officials of Seagrams, when asked regarding the listing of the Distillers Corporation-Seagrams stock, stated that application would be made immediately upon the completion of the merger to have the shares traded in on both the Toronto Curb Market and the Montreal Curb Market. Rumors have been current to the effect that these shares would not be listed but this is without foundation.

"There's a Good Hotel in Kingston"

No news is more welcome to motor tourists and to business men than that a good hotel awaits them at the journey's end. Travellers make for places where hotel accommodation is good. Kingston, Ontario—half way between Montreal and Toronto—is now such a place with its splendid new Hotel La Salle—owned and operated by the Randolph Hotel Company, Limited.

RANDOLPH HOTEL COMPANY, LIMITED

6½% First (Closed) Mortgage Sinking Fund Gold Bonds are an attractive investment

There is over $2,100 in security behind each $1,000 bond.

The mortgage is less than 46% of the value of the property.

Interest requirements earned four times over annually. Management is experienced, courteous, and capable.

Send for full details
Price: 102½ to yield 6.30%

KIPPEN & COMPANY
Investment Securities
4 Hospital Street, Montreal

STERLING TRUSTS PROFITS INCREASE

Toronto Company Reports Growth in All Departments of Business

Continued expansion in profits and assets are revealed in the annual statement of the Sterling Trusts Corporation for the year ending December 31, 1927. Net profits for the period amounted to $57,005, compared with $54,547 in the previous year, or an increase of $2,458. Adding surplus brought forward of $7,450, the total available for appropriations was $64,456. This was distributed as follows: Two half yearly dividends being at the rate of 3 per cent. for the first half of the year and 3½ for the second half, absorbed $38,203, government and business taxes $6,741, while $10,000 was transferred to reserve account and $9,511 was carried forward into the current year.

A substantial increase was shown in all departments. Total assets, as of December 31 last stood at $8,185,963, representing an increase of $989,822 over the previous year. This followed a growth in assets of $947,193 during 1926.

During the four year period since 1924 paid up capital has increased from $575,010 to $599,122, while reserves have grown from $76,997 to $109,511 and total assets from $5,261,329 to $8,185,963.

Capital assets which at the end of 1926 stood at $707,200, were increased to $731,416 at the close of 1927, while the guaranteed trust account grew from $56,886 to $129,527 and estates, trusts and agency account increased from $6,432,053 to $7,325,019.

Year	Paid-up Capital	xProfits	Rate of Earnings Earned p.c.	Dividend
1918	$480,440	$24,004	5.0	..
1919	501,302	62,196	12.4	.
1920	501,302	34,410	6.9	.
1921	501,302	11,756	2.3	.
1922	509,716	31,452	6.2	.
1923	568,019	32,096	6.5	6
1924	576,010	35,343	6.2	6
1925	579,298	41,985	7.2	6
1926	582,798	47,966	8.2	6
1927	599,122	50,264	8.3	6

x Less taxes.

P.T. LEGARÉ
LIMITED

Dividend No 2

The regular 1¾% quarterly dividend on the 7% preferred stock of this Company has been declared for the quarter ending February 29th, 1928, payable on the 1st day of March, 1928, to shareholders of record at the close of business the 15th day of February 1928.

By order of the Board.

P.-C. PALARDEAU,
Secretary-Treasurer.

Quebec, February 7th, 1928.

Used Machinery for Sale

NEW machinery invariably proves the best investment, but there are times when good used equipment can be purchased to advantage.

Whether you wish to buy or sell, the logical place to tell your story is in the paper that guarantees complete coverage of the metal working shops, pulp and paper mills and mines.

Classified Advertisements

2 cents per word—minimum charge $1.00. Display rates on request.

Canadian Machinery and Manufacturing News

153 University Ave., Toronto, 2

Published Fortnightly on Thursdays

Cosgrave Export Brewery Co. Limited

Dividend No. 21

Notice is hereby given that dividend of one and one-half (1½%) per cent., being at the rate of 6% per annum, has been declared payable March 15th, 1928, to shareholders of record as at Feb. 29th.

By order of the Board.

JAS. F. COSGRAVE,
Gen. Manager.

Feb. 14th, 1928.

Available Organizing Executive

An aggressive young man (thirty-three) with a sound knowledge of industry, finance and accounting. A fine past record and at present serving in an executive capacity with a large industrial corporation. Seeks managerial or similar responsible appointment preferably with manufacturing or financial concern.

Box 60, The Financial Post
Southam Bldg., Montreal

PATENT

of merit for sale. Lends itself to quantity manufacture and wide sale at an excellent profit. Reasonable arrangements commensurate with the proven merits of this proposition can be made with the inventor. Interested parties please apply in first instance to S. B. Clifford, Chamber of Commerce Bldg., Winnipeg, Manitoba.

Canadian Pacific Railway COMPANY

Dividend Notice

At a meeting of the Board of Directors held to-day the following dividends were declared:

On the Preference Stock, two per cent. for the half-year ended 31st December last;

On the Common Stock, two and one-half per cent. for the quarter ended 31st December last, from railway revenues and Special Income;

Both dividends are payable 31st March next to Stockholders of record at three p.m. on 1st March next.

By order of the Board,

ERNEST ALEXANDER,
Secretary.

Montreal, 13th February, 1928.

Muirheads Cafeterias Limited

DIVIDEND NOTICE

The regular dividend of 25c per share for the four months period ending February 29th, 1928, on the preferred stock of the Company has been declared payable March 1st, 1928, to shareholders of record at the close of business February 15th, 1928.

A dividend of 10c per share has been declared on the common shares of the Company, payable March 1st, 1928, to shareholders of record February 15th, 1928.

By order of the Board,

H. M. MILLAR,
Secretary.

MEXICO TRAMWAYS COMPANY

GENERAL CONSOLIDATED FIRST MORTGAGE 50-YEAR 5% GOLD BONDS

NOTICE IS HEREBY GIVEN that on and after 1st March, 1928, Coupon No. 30, dated 1st September, 1921, detached from the above Bonds, will be paid at the Bank of Montreal, Toronto, Montreal, or London, England, or at the agency of the Bank of Montreal, New York, at the holder's option.

Dated at Toronto this 15th day of February, 1928.

MEXICO TRAMWAYS COMPANY,
R. H. MERRY, Secretary.

E. L. Ruddy Company, Limited

Notice is hereby given that the Board of Directors of this Company has declared a quarterly dividend of one and three-quarters per cent. on the Preferred Stock of the Company, payable on 1st March, 1928, to all shareholders of record at the close of business 15th February, 1928.

Dated at Toronto, 13th February, 1928.

V. T. PEGG, Secretary.

City of Vancouver, B.C.

Debentures for Sale

SEALED TENDERS WILL BE RECEIVED by the undersigned up to 2 p.m. Monday, 20th February, 1928, for the following City of Vancouver Local Improvement Debentures amounting to $825,139.66.

By-Law	Purpose	Amount	Int. Rate	Term	Maturity
1854	Cement Walks & Curbs	$72,005.47	5%	20 yrs.	July 18th, 1947
1855	Pavements	31,397.28	5%	10 yrs.	July 18th, 1937
1872	Orn. Lighting	94,759.64	4½%	10 yrs.	Sept. 26th, 1937
1885	Cement Walks & Curbs	232,122.44	4½%	20 yrs.	Dec. 5th, 1947
1886	Orn. Lighting	149,123.05	4½%	10 yrs.	Dec. 5th, 1937
1887	Pavements	226,679.32	4½%	10 yrs.	Dec. 5th, 1937
1888	Opening Lanes	13,073.02	4½%	10 yrs.	Dec. 5th, 1937
1889	Orn. Lighting	5,979.44	4½%	5 yrs.	Dec. 5th, 1932

Interest payable half-yearly at rates set out above.

These Debentures, both as to principal and interest, are secured by local special rates on the properties benefited and further guaranteed by the Corporation at large.

Provision can be made for registration of principal.

Alternative offers on the basis of interest and principal payable in Canada only and in Canada and the United States, are asked for.

Parties tendering are required to state the net price for Vancouver payment and delivery of the Securities. If desired, delivery will be made elsewhere at the purchaser's expense.

A certified cheque payable to the City Treasurer for $10,000.00 must accompany each tender.

The highest or any tender not necessarily accepted.

A. J. PILKINGTON,
City Comptroller.

City Hall, Vancouver, B.C.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after THURSDAY, the FIRST day of MARCH next, to Shareholders of record of 31st January, 1928.

By Order of the Board.

FREDERICK WILLIAMS-TAYLOR,
General Manager.

Montreal, 20th January, 1928.

POSITION WANTED:

Young man, age 32, desirous of joining an Investment Security House, several years' road experience. Willing to take junior position offering advancement. Best of references. Box 164, The Financial Post, Toronto.

Quebec Power Company

Notice is hereby given that a dividend of fifty cents (.50c) per share has been declared on the no par value common shares of the Company for the quarter ending March 31st, payable April 16th, to shareholders of record March 31st, 1928.

By Order of the Board,

JAMES WILSON,
Secretary.

Quebec, February 9th, 1928.

The Canadian Bank of Commerce

Dividend No. 164

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 29th February, 1928, and that the same will be payable at the Bank and its Branches on and after Thursday, 1st March next, to shareholders of record at the close of business on the 14th day of February, 1928. The transfer books will not be closed.

By Order of the Board.

S. H. LOGAN,
General Manager.

Toronto, 20th January, 1928.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on April 1st, 1954, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of April 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on April 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on April 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY,
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY,
(Sgd.) JAMES WILSON,
Secretary.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on October 1st, 1955, will be redeemed by the Company pursuant to the terms of the said Deeds, on the First day of April, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on April 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on April 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY,
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY,
(Sgd.) JAMES WILSON,
Secretary.

HOPE OF GAIN LEADS MACKAY TO WIRELESS

Short Wave System Fits in Well With Cable Service

At the annual meeting of Mackay Companies in Boston this week, Clarence Mackay, president, at the outset referred to the acquisition during the period of the Federal Telegraph Company, operating a point-to-point system and ship-to-ship service of radio transmission, but emphasized the fact that the entry of the company into the wireless field was not occasioned through any fear of adverse competition from this direction, but by reason of the realization that the radio can be rendered a most valuable supplement to the wire system. He stated that such a step had been in the minds of the trustees for several years.

Profit and Loss

	1927	1926	1925
Income	$4,910,835	$4,922,811	$4,801,207
Op. Exp.	283,418	296,640	184,937
Net Income	$4,627,417	$4,626,171	$4,616,270
Dividends	4,611,989	4,611,111	4,605,701
Surplus	$ 15,428	$ 15,060	$ 10,569
Prev. Sur.	2,160,402	2,145,341	2,134,772
Prof. & Loss Balance	$2,175,830	$2,160,341	$2,145,341

Assets

	1927	1926	1925
Invsmts.	$93,404,578	$92,883,715	$93,837,754
Cash and Receivables	256,651	824,085	456,796
Total	$93,661,229	$93,707,801	$94,294,550

Liabilities

	1927	1926	1925
Pref. Stk.	$50,000,000	$50,000,000	$50,000,000
Com. Stk.	41,380,,400	41,380,400	41,380,400
Payables	105,000	167,000	768,809
Surplus	2,175,829	2,160,401	2,145,341
Total	$93,661,229	$93,707,801	$94,294,550

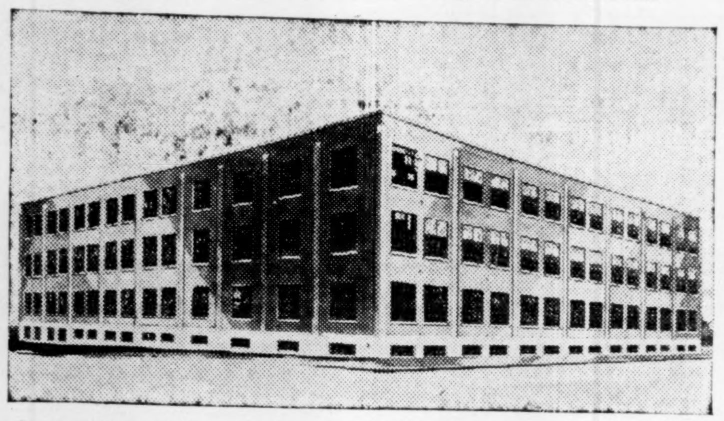
In this connection, Mr. Mackay said:

"Much has been said of the development of radio telegraphy and its possibilities. Some of it is true, more of it is fanciful so far as commercial transmission is concerned. 'Beam' or short wave radio stations can be constructed at comparatively low cost, but they do not give continuous service because the signals are subject to 'fading.' Hence, a radio company relying on short wave only cannot furnish efficient competition with a cable company. The radio company must also employ the expensive long wave equipment to guarantee continuous service. A cable company, however, because of the reliability of the cable service, may very advantageously make use of the short wave as a supplement to the cable. The cables may be used to carry the regular urgent and ordinary services, while the low cost short wave radio carries such parts of the cheaper services as it is capable of. This coordination of the cables and short wave radio furnishes a service which no all operated radio can match either from the standpoint of profit or efficiency."

Co-ordinate Three Services

"To sum up, your trustees believe that the maximum efficiency in public communication service will be only attained by co-ordinating communication by telegraph, cable and radio, which includes facsimile and photo-electric transmission. Combining all these services under one direction must obviously make for an efficiency and continuity of service, which radio operated by itself cannot possibly give, and your organization under the arrangements outlined heretofore should be in a position to render to the public this ideal combination of the services.

Extension to Penmans St. Hyacinthe Plant



In keeping with general steady growth of the Dominion, and in order to ensure that their plants are thoroughly up to date in both equipment and practice, Penmans Limited have recently built a large addition to their plant at St. Hyacinthe. The extension which was begun in April, 1927, included the construction of a large new building on a site adjacent to the present mill, making the whole contiguous and convenient of operation.

The new building, which was specially designed to house the company's present woollen yarn spinning machinery and also considerable new equipment, consists of a four story ell shaped building, having a gross floor area of approximately one hundred thousand square feet. The plans for the new mill were drawn by John M. Moore & Co., architects, London, and the construction was done by A. F. Byers & Co., Ltd., general contractors of Montreal.

The additional carding and spinning equipment being installed is of the very latest and most efficient pattern. No pains are being spared to make this new mill the most up to date of its kind and most economical to operate. The capital outlay involved was close to $400,000 and the building which is now completed, is in operation.

New Financing Coming on Behalf of Weston's

This Will Probably Take Form of $500,000 Preferred to be Offered, With Rights to Buy Common at Fixed Price

Announcement will be made next week of some new financing on behalf of Weston's, Ltd., Toronto, manufacturers of different bakery products. This will probably take the form of $500,000 preferred, with rights to buy common stock at a fixed price.

Weston's, Ltd., is one of the few companies in Canada specializing in the manufacture and distribution of English biscuits. These are of a distinctive style, form and flavor. In Toronto, where the population is largely of Old Country origin, the products of the company have found particular favor. Moreover, a substantial trade has been established with outside points and recently the company was successful in securing an order in New York, which is said to be one of the largest ever placed with a Canadian firm.

In addition to the production of fancy biscuits, the company is also engaged in the manufacture of bread and other bakery products, the quality of which compare favorably with that made elsewhere.

The financing of Weston's adds to the list another company in which there is a public interest. In the past two years, several companies have been reorganized and their securities sold to the public.

Aside from the standpoint of investment, it has been found that public interest in the company proves beneficial to the wider distribution of its products. Such is expected to be the case with Weston's, which, with more working capital, will be able to enlarge its manufacturing and distributing facilities not only in Toronto, but in the nearby cities and towns.

OTTAWA RUMOR N. A. CONFERENCE ATTACK IN VIEW

Interested Parties Received by Government with Little Enthusiasm

From Our Own Correspondent

OTTAWA. — Rumors which undoubtedly are well grounded in fact are in circulation in the capital in regard to a fresh effort by certain interested parties to induce the government to attack the North Atlantic Steamship Conference. It appears that negotiations have proceeded so far that representatives of a British steamship company have come to Canada and had interviews with various members of the cabinet. Rumor states that W. T. R. Preston who has long been associated with "trust busting" efforts of this and previous Liberal administrations is acting in the capacity of liaison officer between the new steamship operators who would break the alleged combine, and the ministers.

The time seems particularly propitious for a renewed onslaught upon the conference by reason of the fact that South Africa has subsidized recently a steamship company outside the South African conference to enter the trade and compete with conference lines. It is said that this same company is anxious to obtain a subsidy from Canada and for similar purposes. The proposal of the company, it is said, is to reduce the ocean rates 50 per cent. on all commodities in return for a subsidy of $500,000 per annum.

From what can be learned here the government is disillusioned as to the honor which may be attained from fights of this kind and while unable to turn the offer down definitely, owing to the past record of the government, received the delegation with a minimum of enthusiasm.

Dominion Store Sales for January Are Up

Dominion Stores volume of sales was higher in January, 1928, than in January, 1927, it is stated officially. January is the slowest month in the year in the food-store business and the increase in volume this year is highly gratifying. Report of the company for the year 1927 will not be available until the annual meeting February 20.

It is expected that shareholders then will be notified of an intention to increase the number of outstanding shares by ten per cent.

During the month of December production, of coke in Canada at 176,845 tons reached a new record for the year.

The Government of the Province of British Columbia

BALANCE SHEET AS AT 31st MARCH, 1927

CAPITAL ASSETS

REALIZABLE OR INCOME PRODUCING:				
Dominion of Canada:				
Capital Account, "Terms of Union"—				
Interest, capitalized at 5 per cent.		$ 583,021.40		
Annual subsidy, " 5 "		3,800,000.00		
Grant per capita, " 5 "		8,393,312.00		
Lands conveyed, " 5 "		2,000,000.00		
			$ 14,776,333.40	
Investment for Redemption of British Columbia Stock and Debentures:				
Sinking Funds, sundry Loans (Schedule "A")			12,797,488.65	
Dyking Districts ("Dyking Assessments Adjustment Act, 1905"):				
Capital Account	$ 545,252			
Interest Account	29,983.92			
Maintenance Account	355,940.28			
		$ 931,176.20		
Less Sinking Funds		221,091.87		
			710,084.33	
Former Indian Reservations Acquired:				
Kitsilano Reserve, Vancouver		$ 300,000.00		
Songhees Reserve, Victoria		770,708.07		
			1,070,708.07	
Properties Acquired Under "Soldiers' Land Act, 1918":				
South Vancouver		$ 19,744.19		
Southern Okanagan		3,111,548.47		
			3,131,292.66	
Railway Subsidy Lands Repurchased			1,509,114.73	
Fairview Works, Fairview			29,447.26	
King's Printer, Capital Account			177,770.58	
				$ 34,202,239.68
BUILDINGS, HIGHWAYS, BRIDGES, AND WHARVES:				
Provincial Buildings and Furnishings			$ 16,367,299.57	
Highways			49,704,492.35	
Bridges (Including New Westminster Bridge)			6,203,274.40	
Wharves (Including Prince Rupert Wharf)			196,821.91	
				72,471,888.23
Carried Forward				$106,674,127.91

CAPITAL LIABILITIES

BRITISH COLUMBIA STOCK AND DEBENTURES:		
Inscribed Stock (Schedule "B")	$17,196,936.00	
Debentures (Schedule "B")	58,288,800.00	
		$75,485,736.00
MORTGAGE ON BRITISH COLUMBIA BUILDING, LONDON:		
Maturing in Quarterly Instalments to 24th June, 1945		177,025.00
		$75,662,761.00
BALANCE:		
Being Excess of Capital Assets Over Capital Liabilities		31,011,366.91

Note.—In addition to direct liabilities of the Province the following securities as to both principal and interest have been guaranteed by the Province:—

Guarantees.	Authorized.	Issued.
(1.) Canadian Northern Pacific Railway Co. (due 2nd April, 1950)	$47,975,000.00	$40,157,523.90
(2.) Pacific Great Eastern Railway Co. (due 15th July, 1942)	20,160,000.00	20,160,000.00
(3.) Vancouver and Districts Joint Sewerage and Drainage Board (due 1st March, 1954)	4,233,333.33	4,233,333.33
French's Complex Ore Reduction Co., Ltd. (due 1st June, 1919)	40,000.00	40,000.00
(4.) Agricultural Credits Commission (due 1st May, 1941)	1,000,000.00	1,000,000.00
(5.) West Nicomen Dyking District (due 1st May, 1953)	90,000.00	87,000.00
	$73,498,333.33	$65,677,857.23

(1.) The Government of British Columbia holds first mortgage on all C.N.P. Railway lines within the Province, which lines are now controlled and operated by the Dominion Government, acting through the Canadian National Railways.

(2.) The Government of British Columbia now controls this Railway and has established a Sinking Fund in connection with the guaranteed securities.

(3.) These guaranteed securities are issued upon the credit of and constitute an indebtedness of the municipalities within the Sewerage District comprising the City of Vancouver, and the District Municipalities of Point Grey, Burnaby, and South Vancouver. The Sinking Fund as at June 30th, 1927, amounted to $253,008.97, being $24,391.62 in excess of requirements.

(4.) The separate accounts of the Agricultural Credit Commission, now operated by the Land Settlement Board (a branch of a Provincial Government Department), shows a Sinking Fund and accrued interest to 31st December, 1926, of $322,951 against this liability.

(5.) The accounts of the West Nicomen Dyking District show a Sinking Fund and accrued interest to 31st December, 1926, of $13,500.56 against this liability.

Carried Forward $106,674,127.91

CURRENT ASSETS

Brought forward				$106,674,127.91
CASH AND ADVANCES:				
Cash Balance in Treasury		$ 10,623.82		
Cash Balances in Hands of Goverment Agents & Collections		315,179.12		
Canadian Bank of Commerce, Current A/C		875,693.79		
Advances to Departments		263,338.03		
Advances to Land Settlement Board		5,832,982.33		
Advances to Conservation Fund		2,170,000.00		
Advances to Industrial Development Fund		765,000.00		
Advances to Liquor Control Board		63,185.86		
Advances to King's Printer, Operating A/C		16,164.04		
Advances to University Endowment Lands Administration A/C		1,077,362.34		
			$11,389,529.33	
GOLD BAR ACCOUNT (CONTRA)			604.41	
ACCOUNTS RECEIVABLE:				
Arrears, Assessed Taxes		$ 1,728,617.38		
Arrears, Grazing Fees		8,137.11		
Probate and Succession Duties Assessed and Unpaid		357,636.49		
Timber Royalty and Stumpage.		530,010.21		
Water-Power Rentals		109,097.90		
Land Sales — Principal Outstanding		348,010.78		
Loans under the "Agricultural Associations Act"	$154,154.23			
Less Sinking Funds	70,105.59			
		84,048.64		
Loans under "Better Housing Act, 1919"		1,358,993.49		
Loan under "City of Port Coquitlam Aid Act, 1925"		18,000.00		
Provincial Municipalities		24,740.85		
Stumping-Powder Purchase Accounts		749.23		
Canadian Pacific Railway Co.		30,300.00		
Sundry Debtors		13,217.87		
			4,611,559.95	
LIVE STOCK, STORES AND EQUIPMENT			1,758,185.83	
SPECIAL FUNDS:				
Scaling Fund		$ 37,018.11		
Forest Protection Fund		206,305.51		
			243,323.62	
TRUST ACCOUNTS (CONTRA):				
Cash in Banks and Investments at Cost			861,339.91	
				$ 18,864,543.05
Carried forward				$125,538,670.96

CURRENT LIABILITIES

Brought forward			$106,674,127.91
TEMPORARY LOANS:			
Treasury Bills:			
"B.C. Loan Act, 1921"	$ 45,000.00		
"B.C. Loan Act, 1921 (Second session)"	100,000.00		
"B.C. Loan Act, 1922"	182,972.00		
"B.C. Loan Act, 1923"	583,888.00		
"B.C. Loan Act, 1924"	324,860.00		
"B.C. Loan Act, 1925"	244,156.00		
"B.C. University Loan Act, 1920"	26,000.00		
"P.G.E. Construction Loan Act, 1921"	255,000.00		
"Revenue Act," R.S.B.C., 1924"	484,300.00		
		$ 2,246,176.00	
CANADIAN BANK OF COMMERCE, GOLD BAR A/C (CONTRA)		604.41	
ACCOUNTS PAYABLE:			
Appropriation Accounts	$ 2,236,775.77		
Other Accounts	88,262.89		
Interest Accrued on Public Debt	912,934.56		
		3,237,973.22	
MONEY DEPOSITS:			
Intestate Estates Deposits	$ 657,175.62		
Suitors' Funds Deposits	97,834.98		
Surplus Moneys from Tax Sale Deposits	11,714.03		
Official Guardian Deposits	76,130.87		
Rural District School Tax Deposits	9,083.79		
Contractors' Deposits	34,555.00		
		886,494.29	
SPECIAL FUNDS:			
Conservation Fund	$ 57,248.41		
Industrial Development Fund	3,073.03		
Superannuation Fund	1,589,181.87		
Fire Marshal Act Fund	5,401.32		
Forest Reserve Account	16,722.25		
Bequests and Other Special Funds	34,372.20		
		1,705,999.08	
TRUST ACCOUNTS (CONTRA):			
Sundry Accounts (Schedule "C")		861,339.91	
		$ 8,938,586.91	
BALANCE:			
Being Excess of Current Assets Over Current Liabilities		9,925,956.14	
			18,864,543.05
Carried forward			$125,538,670.96

DEFERRED ASSETS

Brought forward			$125,538,670.96
PACIFIC GREAT EASTERN RAILWAY CO.:			
Interest on Guaranteed Bonds.	$ 8,421,817.48		
Loans and Interest:			
"B.C. Loan Act, 1916"	8,758,037.18		
"P.G.E. Note Guarantee Act, 1919"	259,719.68		
"P.G.E. Note Payment Loan Act, 1920"	1,110,092.38		
"P.G.E. Construction Loan Act, 1920"	6,089,979.29		
"P.G.E. Construction Loan Act, 1921"	5,047,815.75		
Vote 253A, 1921-22	189,952.08		
Vote 253, 1922-23	410,969.44		
Vote 258, 1923-24	331,578.89		
Vote 258, 1924-25	444,184.36		
Vote 258, 1925-26	322,057.73		
Vote 258, 1926-27	357,156.16		
		$31,743,360.42	
BANK OF VANCOUVER (In Liquidation),			
Special Deposit		100,086.37	
			31,843,446.79
			$157,382,117.75

DEFERRED LIABILITIES

Brought forward		$125,538,670.96
CURRENT REVENUE:		
Interest (Miscellaneous)—Interest on Sundry loans to P.G.E. Rly. Co.	$ 6,655,610.38	
Miscellaneous Receipts—Discount on sundry loans to P.G.E. Rly. Co.	430,141.43	
	$ 7,085,751.81	
BALANCE:		
Being excess of Book Values of Deferred Assets over Deferred Liabilities, the ultimate realization of which cannot be determined at this date	24,757,694.98	
		31,843,446.79
		$157,382,117.75

I certify that the foregoing Balance-sheet is in agreement with the books of the Government of the Province of British Columbia as at 31st March, 1927.

Current Assets

Accounts Receivable:

Item: Arrears, Assessed Taxes, $1,728,617.38. These are the net collectable arrears as disclosed by the Assessment Rolls, after making what is considered to be full provision for all bad and doubtful items.

Item: Water-power Rentals, $109,097.90. The arrears of Water-power Rentals as at 31st March, 1927, were set up as accounts receivable and credited to Revenue as directed by the Treasury Board.

A. N. MOUAT, C.A.,
Comptroller-General.

Victoria, B.C.,
20th October, 1927.

AS SUBSCRIPTIONS HAVE BEEN RECEIVED IN EXCESS OF THE AMOUNT OF THIS ISSUE, THIS ADVERTISEMENT APPEARS AS A MATTER OF RECORD ONLY.

NEW ISSUE

$750,000

Zimmerknit, Limited

First Mortgage and Collateral Trust 6% Sinking Fund Gold Bonds

Series "A"

Dated February 1st, 1928. *Due February 1st, 1948.*

Principal and half-yearly interest coupons payable February 1st and August 1st in gold at The Canadian Bank of Commerce, Toronto, Montreal and Hamilton. Bonds may be registered as to principal. Redeemable as a whole or in part on any interest date, on sixty days' notice, at the following prices and accrued interest: 105 up to February 1st, 1931, and 103 at any time thereafter before maturity

Denominations: $1,000, $500.

Trustee: The Royal Trust Company

Legal investment for Life Insurance Companies under the Insurance Act, 1917, Canada

CAPITALIZATION

	Authorized	To be Outstanding
1st Mortgage and Collateral Trust Gold Bonds	$1,500,000	$750,000 Series "A" *
7% Cumulative Redeemable Preference Shares	$1,000,000	$850,000
Common Shares (without nominal or par value)	50,000 shares	31,250 shares

*This Issue.

From a letter addressed to us by Mr. R. L. Innes, President of Zimmerknit, Limited, we summarize as follows:

HISTORY AND BUSINESS: Zimmerknit, Limited, (the business of which was founded in 1907 by A. F. Zimmerman and the late Adam Zimmerman), owns and operates a thoroughly modern textile manufacturing plant at Hamilton, Ontario. Its chief products are underwear, hosiery and knit goods. The Company employs from 500 to 700 skilled textile workers. The Company's output is sold from coast to coast in Canada, and finds a ready market in Australia, New Zealand and other parts of the British Empire.

This issue of Bonds, Series "A", together with an additional issue of preferred and common stock, is being made for the purpose of acquiring all the outstanding capital stock of the Harvey Knitting Company, Limited, Woodstock, Ontario, and Hosiers Limited, Woodstock, Ontario, and of providing the Company with additional working capital. The Harvey Knitting Company, Limited, was organized in 1912 by Mr. K. W. Harvey and has been in successful operation since that time. The Company has built up a splendid reputation as manufacturers of high-grade hosiery. Its products are well known throughout Canada and in addition a substantial export business has been developed. Hosiers Limited, manufacturing a wide range of hosiery, was organized by Mr. K. W. Harvey in 1918. Both of these businesses have a fine dividend record on their outstanding capitalization. The Harvey Knitting Company, Limited, has paid 7% on its preferred stock since the day of its incorporation, while a dividend has also been paid on the common stock during the last five years. Hosiers Limited has paid 7% on the paid-up capital since incorporation, with the exception of the first six months.

ASSETS: Consolidated net current assets of the combined businesses as of October 31st, 1927, after giving effect to the present financing (as certified to by Messrs. Thorne, Mulholland, Howson and McPherson) amounted to $868,498.60. Fixed assets, at depreciated appraisal values plus additions to date at cost, amounted to $1,622,887.79. Net tangible assets, therefore, amounted to $2,491,386.39, which is equivalent to over $3,300 for each $1,000 bond of this issue to be presently outstanding.

EARNINGS: The consolidated net earnings of the combined businesses available for bond interest, depreciation and income taxes for the five and one-half years ended October 31st, 1927 (as certified to by Messrs. Thorne, Mulholland, Howson and McPherson) averaged $232,109.07, which is equivalent to over 5.15 times total annual bond interest requirements on the bonds to be presently issued.

Net earnings of the businesses for the year ended April 30th, 1927 (the last full fiscal period) on the same basis, amounted to $269,062.26, or equivalent to practically six times total bond interest requirements.

MANAGEMENT: Mr. K. W. Harvey, who has been responsible for the success of the two companies now being acquired by Zimmerknit, Limited, will assume the position of Managing Director of the consolidated companies. Mr. Harvey has been engaged in the textile industry in Canada for over twenty-five years and is recognized as being one of the most experienced and capable textile executives in Canada. Mr. R. L. Innes will continue as President of the Company, while the former Board of Directors will remain unchanged, except for the addition of Mr. Harvey.

These bonds are offered for sale and delivery if, as and when issued and received by us, and subject to the approval of all legal proceedings by Messrs. Long & Daly for the Bankers.

PRICE: 100 and accrued interest, to yield 6.00%

R. A. Daly & Co. **Denman & Co.**

CANADIAN MINING NEWS

Regular Weekly Department of The Financial Post

Further Large Acreages Taken Up at Sudbury

Big Year in 1928 Expected for Kirkland Lake Mines

Kirkland Lake Area is Growing Rapidly as Mines Develop

Town is Up-to-Date with Broad Streets and Good Lighting

FINE WATER SYSTEM

Excellent Schools, Fire Brigade and Hospital, with Latest X-ray Equipment Are Established

The foundation of what in the opinion of many, will prove to be the metropolis of the North Country, is being laid in the bustling little town of Kirkland Lake.

There are ten gold mines in its immediate vicinity employing a force of over 1,700 men, whose payroll exceeds $213,000 a month. Of these, six—the Lake Shore, Wright-Hargreaves, Teck-Hughes, Kirkland Lake, Tough-Oakes-Burnside, and Sylvanite, are active producers. It has been estimated that their 1928 production will be approximately $12,000,000.

The rapid development of these mines is responsible for the growth of Kirkland Lake from a population of 1,500 in 1923 to over 4,500 in 1927. Many other mines are in process of development and an expansion overshadowing anything that has ever gone before, is forecast for the Kirkland Lake district in 1928. The entry of such powerful interests as the Timmins and the Nipissing forecast the growth that is to take place.

Up-to-Date Town

Kirkland Lake has many things of which a much larger town might well be proud. Its streets are broad and well lighted. It has an adequate water and sewerage system splendid fire protection, and ample power. It has two large schools, a well equipped hospital, and the most modern rink with the largest ice surface north of Toronto.

The completion of the Temiskaming and Northern Ontario Railway into Rouyn has drawn attention to the merits of Kirkland Lake as a distributing centre, and wholesale houses are establishing branches there to meet the demands of the rapidly growing mining country.

Both the business and residential sections of the town are expanding. Lots in the business section are selling from $10,000 to $12,000 and frame buildings are giving way to modern fireproof buildings. Two sub-divisions, the O'Meara, and Hudson Bay, were opened up in the residential section during the past year, and between two to three hundred dwellings were built. The demand for building lots is keen. This is illustrated by the fact that 91 were sold within a half hour of the opening of one of the sub-divisions.

Good Water System

Kirkland Lake boasts one of the finest waterworks systems for a town of its size in Canada. The water supply is obtained from Gull Lake located on the southeastern outskirts of the town. Here a fireproof pumping station supplies from a million and a quarter to a million and a half gallons of water to the town and the mines daily. The greater portion of course goes to the mines, which use over 1,075,000 gallons a day. The amount of water pumped by the station each day, is equal to that used by the township of York.

To take care of this demand and to assure fire protection, the station is equipped with a battery of six pumps, with a capacity of 600, 400, 200, and 100 gallons a minute respectively. To safeguard against power break-downs, two of these are equipped with auxiliary gasoline motors. In addition to this an electrically-driven fire pump with a capacity of 2,000 gallons a minute has been installed. This is capable of developing a pressure of 150 lbs. at any fire hydrant in the town.

The town has an energetic fire fighting force, composed of a paid chief and driver, and 24 volunteer firemen. A modern fire alarm system was installed during the past year. As a result of the efficient equipment and the well directed efforts of the firemen, out of a total of six fires suffered during the year, total damages amounted to but a little over $28,000.

Kirkland Lake is administered by the Township of Teck, of which it forms part. The council is composed of Reeve R. J. Carter, Councillors M. Kaplin, Robert Pollock, N. E. Mortson, and G. E. Fairbairn.

The development of the town is being adequately provided for by this far-seeing group. During the past year over 6,800 feet of water mains and sewers were laid, 26,600 feet of wooden, and 13,400 feet of cement sidewalks.

Good Schools

Kirkland Lake has a fine Continuation School to which two additions have been made since the original school was built. A large separate school is now nearing completion. A night school is maintained for the

(Continued on page 19)

Institute's Meeting is Waited Keenly

From Our Own Correspondent

MONTREAL.—A program of keen interest to mining men is announced for the 29th annual meeting of the Canadian Institute of Mining and Metallurgy, which will be held in Quebec, March 7 to 9. The tremendous expansion of mining in the Province of Quebec will be particularly stressed at the convention meeting, and an additional feature will be the presentation of papers on special mining subjects by students who have been encouraged along these lines by a gold medal and prizes awarded by the institute.

TECK HUGHES IS NOW TREATING 850 TONS DAILY

New Mill is Expected to Greatly Increase 1928 Earnings

HAS TWO SHAFTS

Ore is Taken Out of Every Level — 460 Men Are Now Employed

From Our Own Correspondent

KIRKLAND LAKE.—The bringing into operation of the second unit in the Teck Hughes new mill has brought its tonnage up to 600 tons, so that with the old mill with a capacity of 250 tons, Teck Hughes is now treating 850 tons of ore a day.

The new unit was only brought into operation in December, and will therefore show but little effect on the 1927 earnings of the company, but should have a marked effect in bringing 1928 earnings up to new high levels.

Teck Hughes operates two shafts. No. 1 shaft goes down to the 500 foot level where a winze has been carried down to a depth of 1,000 feet opening up levels at intervals of 100 feet. At this depth it connects with the central shaft which goes down to a depth of 2,900 feet and has levels at intervals of 125 feet. Ore is being taken out of every level on the new shaft. Both shafts are being used for bringing up ore. The ore coming up the old shaft being taken care of by the old mill, and that coming up the new shaft by the new mill.

Teck Hughes employs a force of 460 men.

There are reports going the rounds that Teck-Hughes are drilling at the north end of their property. This probably means an exploration campaign is being planned that will include extensive diamond drilling and lateral work in an, as yet, unproved section. For a while at least this work will be more or less concentrated on the north section, north of the present workings. Here there is known to exist a strong break, generally known as the "north break," which is delieved to have highly important possibilities at depth. Evidence seems to show that the surface at this north break has not been eroded to the same extent as at the central and south breaks. The north break shows the same characteristics on surface, and by diamond drilling in the eastern section, as the important central or main ore-bearing vein system, but it is not expected it will yield commercial ore before a depth of 800 feet has been reached.

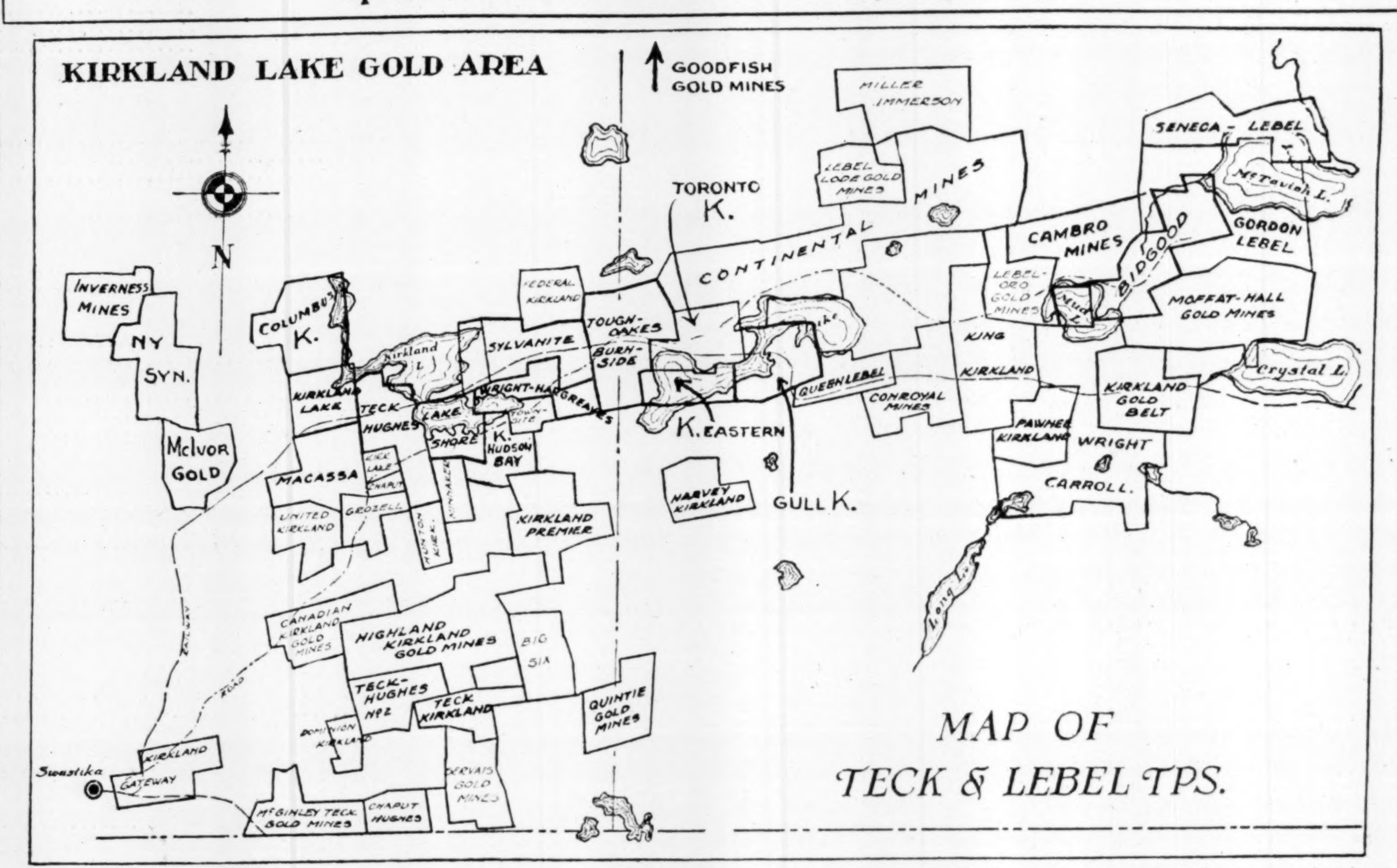
Kirkland Lake Gateway Drills Over 3,500 Feet

KIRKLAND LAKE.—Over 3,500 feet of diamond drilling has been carried out on the property of the Kirkland Lake Gateway Gold Mines at Swastika since a drilling campaign was started on this property last July. Seven holes have been put down and an eighth is now being sunk. It is stated that the results secured have been such as to warrant further development of this property.

BIG HORN DEAL PENDING

An important announcement regarding Big Horn Mines, British Columbia, is pending. It was thought it would be ready this week. It is believed that an additional property of considerable merit has been acquired.

Operations in Kirkland Lake Steadily Expanding



Few of the properties shown in the above map are listed among the dead and dormant to-day. A few years ago the great bulk of them were idle. Under the stimulus of Bidgood's important discovery on the 300-foot level, property after property in Lebel Township has been reopened. It is believed that in this section alone $1,500,000 will be spent on exploration and development this year.

The movement has now spread to the western end of the camp and quite a number of properties to the west of the producers are taking up the hunt for ore. An encouraging feature is that the dead space in Gull Lake, lying between the producing section of the camp and the Lebel operations, is to become active. Toronto Kirkland, Kirkland Eastern, Gull Kirkland and Continental will all operate and negotiations are on for operating Queen Lebel.

Main Ore Zone Extension East Upon Kirkland Lake Still Unsolved Problem

It Would Appear That This Query Rests in Hands of Tough-Oakes-Burnside, Continental, and New Operation Taking Over London Gull Lake

Will this year see the problem of the eastern extension of the main ore zone of Kirkland Lake camp—if there is an eastern extension—solved?

It seems that this problem rests in the hands of three operations. Tough-Oakes-Burnside, Continental and the new operation that is taking over the London Gull Lake and adjoining claims.

Continental's Conclusion

Continental has about proved that the extension of the break, after it enters Tough-Oakes' ground, is not to be found shooting off northeast in its true line of strike. Continental spent a lot of money to find this out, and seemingly has concluded that it will be found more to the south, and so will locate its new operations accordingly.

Tough-Oakes-Burnside has found some real new ore and the question now remains can it be picked up east of the fault.

About one-third the way over on Tough-Oakes, from its west boundary, a fault or dyke runs north and south, displacing everything, presumably in a horizontal manner, and it is generally conceded now that the section east of this fault was pushed to the south.

Deeper Operations

Tough-Oakes did some work to the east but did not get results. The possible explanation of this is that there may have been vertical changes, and that deeper operations may provide the answer.

It is a decidedly interesting situation and with three operations battling in line the summer should produce some kind of an answer.

Write for

"TICKER TOPICS"

A special Bulletin Service of interest to investors.

Free upon request.

Consolidated Investments
LIMITED
Adelaide 2531
Federal Bldg., Toronto, Ont.

FLIN FLON MINE'S NEW MAIN SHAFT ERECTED SHORTLY

75 Men Are Working on Sherritt-Gordon's Winter Program

WINNIPEG.—Work on the new main shaft for the Flin Flon property is expected to commence shortly. In the meantime two shifts are adding to the ore reserves on the 400 foot level in No. 1 shaft. Considerable cross-cutting is being carried on also at the same level. A townsite has been surveyed on Ross Lake, about three miles from the Mill.

More than 75 men are hard at work on the winter's program on Sherritt-Gordon property at Cold Lake, camp buildings have been completed and a start has been made on the underground work. The latter is in the hands of two Eastern contractors, each of whom is to put a shaft down 500 feet and do considerable lateral work. It is understood that the shafts will be 7,000 feet apart and will eventually be connected. In addition, four drilling crews are continuing diamond drilling. A wireless station has been installed, ensuring speedy communication with the outside world.

Callinan Flin Flon Mines Ltd., which controls considerable property near the Flin Flon, has optioned the Smith-McDonald group of 25 claims, three miles west of the Sherritt-Gordon holdings. The first claims were staked in July, 1927, on copper-zinc showings. It is reported that some drilling will be done this winter.

It is said that a diamond drill may be taken into Mystery Lake to explore the silver lead strike there. A road has been cut from mile 214 on the Hudson Bay railway to the discovery.

Reindeer lake, on the Saskatchewan boundary, 225 miles north of The Pas, should be the scene of considerable activity during the summer. The Nipissing Mining Co. have staked 17 claims on some lead-zinc showings just east of the boundary.

GULL K. VEINS ARE GOOD LENGTH

Gull Kirkland Mines has opened up a number of interesting veins on surface and cut others in the extensive diamond drilling campaign carried out last year. The operation is now in a position where a great deal of information has been gathered which will allow for the carrying on of an intelligent underground operation. This the company proposes to launch as soon as the snow is off the ground.

There are in all 4 surface veins opened out for excellent lengths and 3 others that were cut in the drilling.

Kirkland Lake Operators

Producers

Kirkland Gold.
Teck Hughes.
Lake Shore.
Wright Hargreaves.
Sylvanite.
Tough-Oakes B.
Argonaut.

Developing

Teck Otto.
K. Gateway.
Macassa.
Goodfish.
Columbus K.
Inverness.
Federal K.
K. Eastern.
Continental.
Conroyal.
Gull K.
Lebel Lode.
Cambro.
Pawnee.
Bidgood.
K. Gold Belt.
Moffat-Hall.
Northland.
Murphy.
Argonaut.
Walsh-Katrine.

Plan to Operate

Grozelle.
Canadian K.
Queen Lebel.
London G. L. group.
Servais G.M.
Teck K.
Gordon-Lebel.

HEAVY TRADING AGAIN FEATURES COAST EXCHANGE

Pen d'Oreille in Strong Demand Provides Active Leadership

Mining shares are again booming n Vancouver stock exchange. Pen d'Oreille is providing the leadership. This property, though Canadian owned, is located just south of the border in State of Washington. Besides having a mining property that looks decidedly attractive, this company also owns a large water power which it proposes to develop. Consolidated Smelters people are interested in the operation and the shares have been in keen demand. Grandview, an adjoining, but smaller operation, also looks very attractive. It has 300,000 tons of lead-zinc ore proven and is erecting a 250 ton mill.

Prevailing prices on Wednesday as received by Stobie Forlong & Co., Toronto, are:

	Ask	Bid
Agenta	50	...
B. C.	130	135
Bay View	11½	11
Big Missouri	61	60
Cork Prov.	41½	41
Dunwell	36	34
George	550	535
Glacier	6½	5
Gladstone	10	9
Independence	20	19¾
Indian	10½	9
Kootenay	34½	34
L. Jim	40	39½
Marmot M.	17½	17¼
P. Oreille	16.75	16.50
Premier	274	273
Porter Idaho	62	60½
R. Hope	60	59½
Silverado	1.47	1.45
Silversmith	20	19¼
Sunlock	3.40	3.30
Toric	4.35	4.25
Whitewater	2.85	...
Woodbine	46	45½
Cotton Belt	1.25	1.10
Grandview	70	...

PATCHES OF $8 ORE FOUND ON CONROYAL

Conroyal Mines, drifting east from the winze on the 1,050-ft. level, has encountered patches of $8 ore, assays running as high as $8.20 and $8.80. The drift shows the vein very strong. On the west the drift was carried 65-ft. into the sediments and then a cross-cut was run to the porphyry. The situation on the property to-day seems ideal for the finding of commercial ore and the management's problem is to decide whether it will be found at depth or laterally. It is the intention to sink to 1,300 and perhaps 1,500-ft.

Real Active Year May be Expected at Kirkland Lake

Bidgood Find Has Resulted in Real Boom in East Section Which Has Gradually Spread to the Whole Camp—Lebel Ore Has Opened Up Tellurides

Kirkland Lake can to-day boast of more solid, well sponsored, well financed mining operations than ever before. This is a striking example of what co-operation can do. Bidgood made an important discovery and somehow a boom in mining shares took place. The Bidgood find awakened a desire in many concerns to operate, and the boom in the market made it possible for many of them to get the much needed and long desired working capital.

Bidgood's discovery on the 300-ft. level did a great deal for the Eastern section, especially Lebel Tp. Conroyal, which embraces the old Kirk Gold and Oswego properties, had been the only consistent operator in the section until along came Bidgood and Pawnee. Later things began to boom. Bidgood shares had a very substantial rest in the market and many took profits and backed some of the other new ones, Cambro is an example of this. It was practically financed on Bidgood profits.

Larger Payroll

Later properties in other parts of the camp became active, and the list of operations as given in an adjoining column is quite an impressive one. If each of these spends $5,000 monthly during the summer, it can easily be realized that the camps are going to have a much larger payroll than at present.

Rather an outstanding feature of the bulk of the operations is that they have been able to place such substantial blocks of stock at good prices. In fact, it might be said that in financing in the recent mining share boom, many concerns got for one share of stock, what they would have been satisfied to secure for four or five shares a year or so ago.

Bidgood and Lebel Oro have been the most favored of the new operations in finding ore. It is generally known what Bidgood got on the 300 and again on the 400. Lebel Oro has made no announcement as yet that it has found very high grade on the 300-ft. level. It is considered the richest ore, running $67 to the ton, found at that horizon, in the camp.

Three Good Operations

Conroyal, Pawnee and Northland are three very commendable operations that have been carried to depth. Each have good wide veins and encouraging values, but they are yet to encounter shoots that are commercial.

West end of the camp has been slower in getting operations under way than has the east, but it is coming along steadily and a real active year may be expected.

Expansion of Mines in Kirkland Denotes Lowering Ore Grade

Drop in Average Content by Wright Hargreaves Causes Comment

Drop in average content of the ore milled by Wright Hargreaves during the last year has focused attention on the average value of the ore milled by the various Kirkland Lake operators. Wright Hargreaves averaged a little better than $10 last year and this is below the average of both this mine and the camp. To date, Wright Hargreaves has treated 776,486 tons and the recovery has been $9,291,285 or an average recovery of $12.02. The average of Lake Shore and Teck Hughes as will be seen from the table given below has been much higher than this.

The table shows that there have been material changes from time to time in the value of the ore treated. It is believed that the average ore of the camp will work out in the end about double that of Porcupine.

Premier Operation

Lake Shore stood out as the premier operation of the camp until the past year when its position was challenged by Teck Hughes.

Developments on Lake Shore have recently been carried to 1,600 feet, and a number of new levels opened. In addition to these new levels, there are levels on the 1,000 feet horizon, and some even higher up that have not been completely opened up.

Lake Shore, like Wright Hargraves, has had good ore almost from surface down, and practically all the stopes in the mine from the 200 feet level down are full of ore. This means that the great bulk of Lake Shore's production has come from development. Very little work has been done in waste. Lake Shore is sinking a new shaft and this is taken as a forerunner for a material increase in production. To-day, the mill output of around 700 tons daily, falls far short of being in keeping with the position of the mine, and a jump to 1,000 or 1,500 tons daily is to be expected this year. Higher dividends are also expected.

Lake Shore's production record:

	Tons Milled	Value	Per ton
1918	16,749	$ 416,413	$24.86
1919	11,081	263,354	23.77
1920	19,779	503,734	25.47
1921	21,817	495,276	22.70
1922	22,279	471,340	19.41
1923	23,203	547,599	23.60
1924	56,168	1,098,572	19.56
1925	104,765	1,958,720	18.67
1926	125,676	2,235,184	17.79
*1927	178,773	2,340,048	13.08

*Nine months.

Teck Hughes

Teck Hughes has been opened up to 2,230 feet. It is really two mines in one. Down to 1,300 feet it is a low grade operation and this ore is being handled by a 250-ton mill. At 1,300 feet, ore bodies of immense width, much higher in value, but more complex, were opened up. This ore required a much different treatment, and a new high grade mill was erect-

(Continued on page 19)

Malartic Gets Ore Fabulously Rich

Malartic Gold Mines, N.W. Quebec gold area, has opened up in rather a remarkable way and reports abroad are to the effect that it can now be occupied as a small mine, with possibilities that it will open out as a mine of sensational proportions. The ore on the 150-ft. level is said to be fabulously rich.

Diamond Drilling Starts on Mining Corporation

From Our Own Correspondent

HAILEYBURY.—Exploration work carried out by Mining Corporation on its property near Lake Jo, Adair Township, is reported to have disclosed sufficient gold showings to warrant diamond drilling, and arrangements are now being made to take drills into the property.

Nickel Companies and Timmins Take up Sudbury Groups

Record Office at Sudbury is Jammed with Business

1,000 CLAIMS LISTED

Treadwell is Looked Upon as One of Most Valuable Properties in the District

From Our Own Correspondent

SUDBURY.—Noah Timmins has returned to the Sudbury district. He is now interested in two valuable groups of property. This is very interesting news, in view of the fact that Noah Timmins or Hollinger Consolidated, of which Timmins is president, were the first to investigate the now famous Treadwell Yukon property (Errington Mine), After having spent considerable money in diamond drilling and sampling this property Hollinger engineers turned it down. To-day it is looked upon as one of the most valuable properties in the Sudbury Basin. Its No. 2 shaft is down about 700 feet. No. 1 shaft will be driven to 700 and then connected up with No. 2, after which a third shaft will be sunk three miles farther east.

The new mill will be ready to treat ore within the next ninety days. All work is being pushed with the utmost vigor.

Early in the autumn of 1927, Messrs. Alderson-McKay made an examination of the Babson Collins property at Geneva, Ont. After sampling and assays were completed, they concluded to diamond drill it, more to check up the original drilling performed by the then owners, who had cut ore bodies of mineable widths at 485 feet in depth. Twenty-two holes have proved an orebody at least 900 ft. long and to a known depth of over 400 ft. It is estimated by Towagmac engineers that there is above the 150 ft. level proven ore to the value of one and a quarter million dollars. It is only reasonable to suppose there is a very much greater tonnage in this mine. There are hundreds of acres yet unexplored. The ore is high grade lead-zinc, carrying good values in gold and silver. Some gold assays run $9.

Noah Timmins is also interested in copper-nickel properties in township of Foy. A diamond drill is operating there at the present time, C. T. Young of Canadian National Railways and Frank Dennie of Hanmer, are the original owners of these properties. It is reported Mr. Young succeeded in getting Mr. Timmins interested in developing them for the copper-nickel contents.

Active mining preparations are being made at present at a group of properties lying to the east of Bunker hill property. Camps are being put up and a contract is let for ten thousand feet of diamond drilling. This is on the trend of the Treadwell Yukon great fault or shear zone which is known to extend in a northeastward direction into the township of Capreol, where a Toronto syndicate are soon to carry out extensive drilling operations. Large areas of gossan overlie the rock and underlie the soil. Farmers digging wells in this locality have dug up the gossan. The water in some of these wells was so bad that it was unfit for use.

E. J. Longyear Co., of Minneapolis, are reported to be making preparations for an extensive diamond drill campaign to prove their copper nickel properties in Falconbridge Township, Sudbury district. These properties were drilled once before with good results. This is the group of properties which Thomas A. Edison spent several months on making magnetometric surveys (the pioneer of magnetic surveys). Mr. Millar, Edison's son-in-law, had charge of work in the district; he sank a shaft some 70 feet through gravel and sand (quicksand prevented them reaching bedrock). However, before abandoning the shaft he drove a long steel into the quicksand from the bottom of the shaft with the intention of hitting bed rock, but failed to strike bottom. Some years afterwards, one of the men who was working for Edison on the survey remembered about the big readings the magnetometer gave. He applied for the land; shortly afterwards E. J. Longyear Co. diamond drilled the property with good results.

It is reported, that the steel Millar, Edison's foreman drove, fell short of reaching the ore by about 18 inches. (For drilling details see Royal Ontario Nickel Commission report, 1917 appendix).

Such is fate; the famous Keely mine which wrecked the Farmers Bank, was another instance of "So near and yet so far from a fortune."

Sir Mortimer Davis and associates are drilling the Old Sheppard mine; this property was opened up years ago by a shallow shaft, some drifting was done and about 200 tons of ore was raised. It is the intention of

(Continued on page 20)

Former Dep. Minister Joins Sherritt-Gordon

From Our Own Correspondent

OTTAWA.—N. F. Parkinson, former deputy minister of Soldiers' Civil Re-establishment, has been appointed to a responsible post with the Sherritt-Gordon company at Cold Lake, Manitoba. Mr. Parkinson left the service of the government a few months ago as a result of a reorganization of the department. He is to be the business manager at the mine and it is understood has bettered his financial position considerably by the change.

GREAT ACTIVITIES ARE NOTICEABLE KIRKLAND LAKE

Development Has Extended Through Townships Lebel and Gauthier

CAMPAIGN PROCEEDS

All Claims Have Been Staked Throughout Teck and Grenfell and Nearby Townships

BY A. E. RICHARD
Northern Mining Editor of The Financial Post

KIRKLAND LAKE.—Of recent months the activity has been growing through Kirkland Lake to a great extent to the east of the big producers in Teck township. This development has extended through the township of Lebel and over into the township of Gauthier, but recently important attention has been given to the western part of Teck. It is the opinion of many authorities that Kirkland Lake mining in the western part of Teck and particularly the northern part of this township holds out as much promise as in other parts of the township. The writer has discussed Kirkland Lake affairs with many old time pioneers of the camp and find that a great deal of favorable opinion exists regarding this northern area.

Kirkland Lake is yet a young camp. There has been very little real development done by any other than the leading properties throughout this district and as Kirkland Lake requires deep mining exploration it will take development of this kind throughout the camp to really prove the length and width of such a high grade deep mining area. Many important discoveries have been made in Grenfell township which joins the township of Teck on the west. This township is seeing more development than ever before and many new companies are being recognized to carry on development.

Aggressive Campaign

Information has been received recently from good authority that interests affiliated with Wright-Hargreaves Mines have taken over a group of claims in the north-western part of the township of Teck, just north of a 240 acre property belonging to Inverness Mines. Sufficient interesting discoveries were made to warrant an aggressive campaign on the property of Inverness Mines. This property has been under development and last year a shaft was sunk to the depth of 35 feet as well as completing about 10,000 feet of trenching and stripping, also the sinking of test pits. It is understood that assays from 20 cents to $11.48 were obtained and the Company feel justified in opening up a large development campaign on this property, which they are now planning to take place soon.

It was recently reported that a syndicate headed by A. E. Reid, of Pembroke, was interested in a number of claims joining the Inverness to the west. Some of these claims being in the township of Teck and some in Grenfell. Information from good authority states that the McIvor property has been taken over by Harry Oakes, president of the Lake Shore Mines, for development on a large scale.

Some high values were obtained a few years ago on the workings of the Goodfish Mines in the area of the north-east corner of Teck and the south-west corner of Morrissette. On the strength of these old workings a syndicate headed by Harry Oakes, president of the Lake Shore Mines, decided to re-open the property and start development on an aggressive scale. Information has it now that Mr. Oakes is preparing to open up the McIvor property in the western part of Teck township.

All Claims Staked

There is not an open claim in the township of Teck to be had and claims have been staked throughout Grenfell township almost solid. The same staking has been under way throughout the northern part of the leading townships of Kirkland Lake, principally in the townships of Masonville, Bernhardt and Morrissette.

There should be splendid possibilities also in the township of Arnold, Katrine, Ossian, as these townships are in a row and directly west, joining the township of Desserat which latter township is in Quebec and where important discoveries have been made by some of the leading Quebec mining companies. There is no reason why the provincial boundary line should cut off a mineral promising discoveries.

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Much Mining Activity Likely to Take Place in North-East Ontario

Considerable Development Around Arno, Abana, is Expected Shortly

AWAITING SPRING

Lorraine Mines Are Reported to Have Taken Up Claims North of Goodwin Station

HAILEYBURY. — Considerable mining development is to take place in the north-eastern townships of Ontario this coming spring in a mineralized zone which is believed to be the continuation of the central break on which Abana, Arno and others are located in Desmeloizes township, Quebec.

Development work has begun already in Steele Township by the Marbano Mining Syndicate. The Lorraine Mines are reported to have taken up a number of claims north of Goodwin Station, and Mining Corporation are carrying on exploration work near Lake Jo in Adair Township.

The Marbano property was staked by Prospectors John Matheson and R. E. Bailey last spring. It consists of a group of eight claims of 320 acres, situated five miles from Mace Station on the C.N.R.

Two promising surface showings are reported to have been uncovered No. 1, a pyrrhotite dyke, 6 feet wide was traced a distance of a quarter of a mile. Cross trenching is said to have given good values in gold, copper, zinc and silver. No. 2 showing, running parallel to No. 1, was traced for an equal distance and was found to widen to 100 feet in places. The mineralization was found to be similar to No. 1.

A prospectus issued by the syndicate states that the camp is well under way and that an encouraging amount of development work has already been done.

The geology of the district is described as lava flows and keewatin intruded by gabbro, diorite, rhyolite and Algoma granite, the mineralized zones following along the gabbro contacts.

TWO CANADIANS JOIN BOARD OF NORANDA

Hon. F. H. Phippen and A. L. Aylsworth Are Added to Directorate

Hon. F. H. Phippen and A. L. Aylsworth, two Canadians, will be added to Noranda's directors to fill vacancies.

In making this announcement, Pres. J. Y. Murdock stated that the company's smelter is working very smoothly and has demonstrated that with a few changes made, it can handle about 150 per cent. of its rated capacity if needed, or up to fifteen hundred tons a day. Grade of blister being produced is of considerably better grade than its buyers—British Metals Corporation—anticipated at first.

Shaft sinking is being continued from 600 to 1,000 feet and lateral work on the 400 and 500-ft. levels has entered the "H" ore body, which, while not of commercial grade on surface, is commercial on both the 400 and 500 levels. On the former level it is expected that the "C" ore body will be opened very shortly.

As predicted, final assays of blister copper not only confirm mine assays for copper content, but are carrying a considerably higher percentage of gold than was anticipated.

The president also states that there are indications of quite important developments at depth following diamond drilling, but nothing is likely to be issued in the form of an official statement until such time as the 600-ft. level has been opened.

Work is proceeding on both Noranda's subsidiaries, Waite and Aldermac, and the former is likely to be shipping 250 tons a day to the smelter before summer.

Fur farming on a large scale in the so-called swamp lands of Eastern Manitoba is a possibility, according to W. W. Childe, secretary of the Eastern Manitoba Development Bureau.

Inter. Nickel Profits May Equal 1926 Year

Annual report of International Nickel is to be expected about March. Expectation is, says Wall St. Journal, that earnings will be about the same as 1926, when the company earned, after federal taxes, depreciation, depletion and preferred dividends, $3 a share on the 1,673,384 shares of common stock outstanding.

CENT. MANITOBA'S MILL DIFFICULTIES ARE SURMOUNTED

Expected That Mill Will Handle 150 Tons Daily Shortly

From Our Own Correspondent

WINNIPEG.—Central Manitoba Mines have been experiencing difficulties in the mill but it is believed that these have been overcome. Vegetable matter in the water caused some fouling of the solution. A small amount of copper in the solution also gave trouble. Installation of an additional agitator remedied this and it is expected that the mill will be able to handle over 150 tons per day within a short time. While the mill was being tried out only $7.00 ore was put through but as the process improved higher grade material was treated.

Underground operations on the Tene 6 have not been altogether up to expectations. It is reported that a diamond drill is to be used for exploratory work in this section.

Eldorado shaft, Central Manitoba, is down about 375 feet. It is intended to cut a station there and sink to 500 feet. Lateral work is planned to learn the extent of mineralization. If development warrants, sufficient timber may be taken out this winter for the construction of a mill. Results to date are understood to be satisfactory.

KIRKLAND LAKE AREA IS GROWING RAPIDLY AS MINES DEVELOP

(Continued from page 18)

benefit of the foreign population to assist them in acquiring a knowledge of English, and is well attended. In view of Kirkland Lakes total population its number of school children is a matter to wonder at. It tops the thousand mark. A vocational school is much desired and may be secured in the not too distant future.

The Kirkland Lake Hospital maintained by the Red Cross is housed in a modern concrete building. It accommodates 16 beds, and an addition is to be built in the spring which will bring the number up to 30. The X-ray equipment, which was provided by the local mining companies, is rated one of the finest in the province.

Kirkland Lake is well supplied with power, two lines of 44,000 volts each come in from Cobalt, while two more of 110,000 volts each, have been brought in from Indian Chutes on the Montreal River, and from the Quinze River development.

A matter of which the town may well be proud is the manner in which the streets are kept cleared of snow. It comes thick and fast in the winter months in the North Country, but to take care of this the council at a cost of $6,000 purchased a large snow plough driven by a powerful tractor. The snowfall this year has been the heaviest in years, but all the roads in the township have been kept clear. As a result motor cars are being driven as in midsummer.

A big-hearted benefactor of whom Kirkland Lake is proud, is Harry Oakes, president of the Lake Shore Gold Mines. Mr. Oakes made his fortune in Kirkland Lake and has not forgotten it. A large playing ground was presented to the children of the town by him some time ago, and this year a $75,000 skating rink was erected through his generosity as a gift to children, who are allowed to skate there free of charge.

The rink is all that could be desired, with both skating and curling ice surfaces, large dressing rooms equipped with shower baths, and a commodious grandstand.

Sudbury Basin Has Evidently Cut Errington Ore Extension

Sudbury Basin Mines has apparently picked up the extension of the ore zone established by Treadwell Yukon Co., the Bunker Hill subsidiary in Sudbury Basin. The action of the shares on the market, when they sold up to $18.25 indicates this. News of this nature has been expected as it was known that the diamond drills have been working in decidedly favorable ground. Sudbury Basin shareholders meet next Wednesday to approve of the stock split.

Worst Mine Disaster in Ontario's History

Thirty-nine Hollinger miners lost their lives as the result of gases from a rubbish fire in a worked out stope below the 550-ft. level.

It is the worst mine disaster in the history of Northern Ontario.

The loss of life is a calamity; the financial loss to the Hollinger company will be negligible.

Locking the Stable Door

There will be investigations. They may do some good. Of course it will be the old story of locking the stable after the horse is gone.

The rubbish or whatever it was—should never have been dumped into the old workings. Everyone knows that now and everyone knows it won't be done again.

The deepest sympathy will go out to the families of the stricken men. We should judge that their sad plight, in the loss of their loved ones, will not be aggravated by financial stress. It is well known that every worker going underground at the Hollinger is protected by insurance. Workmen's compensation applies to all Hollinger employees and while the machinery of that organization is being set in motion Mr. Timmins has caused $200 to be sent to each stricken family.

Mine is Shut Down

Hollinger is shut down and may be for a few days more. This will cut into February production. Losses will total the overhead and compensation demands but when apportioned per ton will be negligible.

Mining men express considerable sympathy for the position of Pres. N. A. Timmins whose operation has received such a blow. Mr. Timmins will take the matter very much to heart. Someone in his giant organization has slipped. The investigation may determine who it was.

EXPANSION OF MINES IN KIRKLAND DENOTES LOWERING ORE GRADES

(Continued from page 18)

ed. Two 300 ton units are now producing and a third will be added when the position of the mine warrants it.

Teck Hughes' Production record:

	Tons Milled	Value	Average Per Ton
1917	11,257	$ 66,722	5.44
1918	14,774	80,570	5.45
1919	18,387	169,590	9.22
1920	30,646	247,757	8.08
1921	34,693	322,918	9.31
1922	41,194	596,495	14.48
1923	38,314	1,117,963	29.17
1924	44,209	1,023,025	23.14
1925	55,220	996,943	18.05
1926	79,564	1,461,367	18.37
1927	100,303	1,890,889	18.85

When Wright Hargreaves reached the 1,000-ft. level, the complexion of the operation changed as completely as did that of Teck Hughes when that company reached the 1,300-ft. level. Operations were carried to 1,500 feet and developments carried out in a small wedge-like section around the shaft. Deeper developments and a steady expansion of operations has had most encouraging results on this property which has a possible length of ore around 4,500 feet. Its length of ore on one level is equal to five of Teck Hughes.

Production record:

	Tons Milled	Total Value	Value Per ton
*1913	3	$ 1,126	....
1921	36,053	268,751	13.00
1922	66,181	762,752	11.52
1923	79,242	754,798	9.52
1924	84,487	1,088,725	12.88
1925	147,939	1,913,402	12.94
1926	153,392	2,150,844	14.02
1927	209,164	2,151,916	10.51

*Production of prior operation.

Kirkland Lake Gold and Tough-Oakes-Burnside both have a record of production, but it is useless to quote the figures as they are of little use as a guide to judge the present prospects by. Kirkland Gold, at a depth of 1,625 feet, encountered the main ore zone of the camp, and started treating ore that compared favorably with that of the other producers. It is doing well, but it will be more easy to size up its chances a few months hence.

Tough-Oakes-Burnside was the pioneer producer of the camp, but it fell on evil days. Its ore petered out and one thing and another held it back. Of late it has done considerably better, but it is not out of the woods as yet.

Sylvanite, which started its mill around May of last year, is doing exceedingly well.

SMALL INVESTORS WILL BE UNAFFECTED BY TAX ON PROFITS

(Continued from page 1)

or a scheme of profit making, is determined in a large measure by the number of transactions, their frequency, their volume and in some measure the general circumstances surrounding the individual, such as special knowledge of financial matters or of market conditions relating to particular commodities or stocks. For example, a grain man confines his transactions to grain; a mining man to mines; an industrialist to industry or any individual applying his mind to any one of the several classes continuously, might be said to be specially skilled therein. On the other hand an individual may invest in all classes with a frequency and in amounts as would determine him to be from a legal point of view in the business of buying and selling securities as a scheme of profit making.

As stated, the full facts and circumstances of each case must be fully considered.

Consideration gives rise to three groups:

1. Those individuals who have so few transactions that a scheme of profit making cannot be said to exist as a business.
2. Doubtful, if the number or magnitude do, or do not, constitute a scheme of profit making.
3. So many, so frequent, and of such magnitude that there can be no doubt, it is a systematic scheme of profit making.

In the first group would be an individual who having a certain capital or income on which he has paid tax, invests it in the market on a venture and it comes home enhanced in value. He may do this once, twice, ten or twenty times, but having regard to his occupation and his general mode of life, indicating the purpose of his mind, one would be brought to the conclusion that this was not a scheme of profit making but is an infrequent speculation which could not be said to create income as it is but the occasional risk of a part of his capital coming home to him at a profit or a loss. For analogy, a man buys a house and re-sells it. It was a speculation increasing or diminishing his capital. He may buy three or four houses and still remain under the same consideration. There is no tax liability involved. They are mere ventures more or less of an isolated character.

The second group will be passed over for the moment in order to consider the third.

Another Instance Cited

An individual habitually buys and sells either mining stock, industrial stock, and bonds, or grain, or habitually buys of all these stocks, bonds and commodities indiscriminately, having very many transactions each year and in successive years. No matter what his occupation may be, realizing that the human mind is capable of carrying on innumerable forms of businesses at the same time, he may be said in law to be carrying on the business of buying and selling stocks, bonds and commodities with a view to profit, a scheme of profit making. For analogy, a man buys a house and sells it, buys another and yet another, and so throughout the year has bought and sold many houses. Houses are usually regarded as capital items, but in this case the buying and selling of houses is a business; he is in the real estate business, and liable to tax on the profit and entitled to the loss as a deduction.

The second group; are those transactions of an individual which may or may not be sufficiently numerous, habitual or systematic as to say of his transactions that they amount to a scheme of profit making? He is not clearly within group one or group three, described above, and it is in such cases that great difficulty arises. Someone must exercise a judicial mind on the facts of such marginal cases and resolve them one way or another. Of course if they are resolved in favor of the individual no question arises, but if the marginal case is resolved against the individual, then the individual mind that determined the matter will have its conclusion subjected to scrutiny, and consideration in the light of all the facts by the court to determine whether on the facts the conclusion was correct in law.

The Morrison case is undoubtedly one that compels both the Crown and the taxpaying public to give heed to the provisions of the income tax law in a manner not heretofore fully realized. It unquestionably becomes necessary for the Crown in the light of the decision to ascertain the facts relating to transactions in stocks, bonds, debentures and commodities and in the light of the information obtained, determine the tax liability or otherwise of the individuals indulging in such transactions. If such information is to be had it follows that it must come from brokers. Examination of brokers' accounts will disclose those who speculate to such a degree that they may be said to be carrying it on as a business.

Isolated Transactions

It will be observed that the phrase referred to in the Income Tax Act reading:

> "And also the annual profit or gain from any other source"

has not been taken to sweep within the definition of income those profits or gains which arise from isolated or infrequent transactions although from a legal point of view it may well be that the phrase does include just such profits. The Morrison case, however, leaves this consideration still open, determining only that if speculations are habitually entered upon they may amount in law to a carrying on of business, and so be liable to income tax, even though all the transactions are carried on through a broker's office and much in the nature of "speculation" so-called. No doubt there are those who would consider purchasing and selling through several brokers in order that no one brokerage office would show a volume of transactions, but there are practical reasons which make it expedient for a person conducting speculations to the point of carrying on business therein, maintaining his business with only one firm. Further, the Crown no doubt would, through other sources, be aware that a particular person is a heavy speculator and require information from several brokers no matter how small or few the number of the transactions in each case may be, but undoubtedly any request for information would be for volumes of transactions over a certain number and above a certain magnitude, leaving the balance to be dealt with by special consideration and treatment.

What is said above of the individual applies to group investors as well.

Seneca-Lebel is Organized With $2,000,000 Capital

Seneca-Lebel has been organized with a capital stock of $2,000,000, with 1,100,000 shares in the treasury to operate six claims, 240 acres, in Lebel Township, one claim northeast of the Bidgood and Gordon Lebel, and three claims northeast of Cambro Kirkland, and four claims a little north and east of Continental Kirkland. Immediately south of the above properties are the Moffat-Hall, Diamond Drilling; Kirkland Gold Belt, recently taken over by Noah Timmins, president of Hollinger Mine; Pawnee Kirkland, with shaft down 750 feet, which looks like a mine in the making; Wright-Carroll Gold Mines, new company; Conroyal, with shaft down 300 feet; Lebel-Oro, which is negotiating with the Nipissing Mining Co., who are considering taking over the development of the property.

A large amount of surface trenching and open pit work has been done on the Seneca-Lebel property and the geological formation and mineralization is good and favorable to gold deposition. Free gold has been panned on the surface on the claims adjoining the north shore of McTavish Lake, and several assays were secured on the western claims giving encouraging values. The Seneca-Lebel looks like a promising property on account of the extensive development work that is being done immediately to the south of their property by the companies mentioned above.

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OLD COLONY MINES, LTD., acquires over 48,000 acres, immediately south of and adjoining the Buchans Mine, Newfoundland, believed to be one of greatest complex orebodies of recent history and under development by American Smelting & Refining Co., most powerful mining company in world.

Old Colony's ground covers 12 miles on the strike of the mineralized zone and shows several important surface exposures and heavy float on extreme east and west ends.

Old Colony also takes over Arizona Premier group near Kingman, Arizona, under development for three years by R. W. Wood, president of Premier Gold Mining Co., Canada's leading gold, silver dividend payer. Engineers estimate present potentialities of Arizona property at over $16,000,000, with far greater possibilities at greater depths. Property will be equipped at eventual cost of $750,000 and engineers estimate gross income under those conditions at $700,000 annually.

Underwriting of present issue has been completed by R. W. Wood and Stobie, Forlong & Co.

A small amount of pre-listing stock now available at 50 cents per share. We reserve the right to pro-rate subscriptions, which will be filled in the order received.

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Opportunities in

KIRKLAND LAKE

IN OUR opinion the Kirkland Lake Gold area continues to present one of the outstanding opportunities for intelligent mining investment in Canada.

Development work continues to reveal high grade ore at greater depth, and with increased milling facilities now being planned the production of these companies should show a substantial increase. The shares of such companies as:

Teck Hughes	**Kirkland Lake**	**Wright Hargreaves**
Lake Shore	**Kirkland Hunton**	**Tough Oakes**

should show considerable market appreciation over the next twelve months.

Our Kirkland Lake office, connected by direct private wire, is located in the heart of these activities, constantly alert to changing conditions and developments. The clients of this firm, at all its branches, receive this news and information well in advance of other sources.

Our Statistical Department will be glad to supply you with information on any of the Kirkland Lake properties and keep you posted weekly through the medium of our Market Despatch.

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ALEXANDRIA GOLD MINES LIMITED

A Company with well selected mining lands, highly experienced, competent technical guidance and management, and well-sponsored administration.

Has — holdings in five of Canada's leading mining areas — Kirkland Lake and Sudbury Districts in Ontario; Portland Canal, Phillip's Arm and Smithers Sections of British Columbia.

These properties, which have been carefully selected after examination of sixty odd blocks of ground by experienced engineers, are as follows: —

Groups A & B — 11 Claims Ben Nevis Township, Kirkland Lake District, a part of which adjoins Interprovincial Exploration group where an important Copper, Lead, Zinc discovery has been made.

Group C — 6 Claims adjoining Georgia River Gold Mines, Portland Canal District, B.C. Press reports from the Coast refer to the Georgia River discovery as a "Jewelry Box". Its shares recently sold up to $1.25. Premier Gold Mine is in Portland Canal area.

Groups D & E — 10 Claims Topley District near Smithers, B.C. This section has become prominent recently due to development and discoveries of high-grade silver lead ores on the Taylor Property.

Group G — 21 Claims Marshay and Shelly Townships, Sudbury District on which a massive outcrop of ore has been discovered.

ALEXANDRIA MINING COMPANY

Alexandria Gold Mines, Limited, holds an option on 1,900,000 shares of Alexandria Mining Company Limited of British Columbia, capitalized for 3,000,000 shares, of which 812,000 shares are outstanding and owned by private interests, the balance is in the treasury. The Alexandria Mine, consisting of 11 claims, is situated at tide-water on Picton Point at the entrance of Phillip's Arm, off Cardero Channel, about 150 miles north of Vancouver. This property is considered by competent engineers to be a mine in the making. 1,500 feet of underground work has been done in exploration. One shoot of ore opened up 305 feet in length, averages $9.00 per ton in gold, over a width of 4½ feet. Values up to $103.00 per ton in gold have been encountered. The ore also carries values in silver.

Having secured such a well diversified and promising group of properties, and with ample finances for preliminary work, the company sought the best mining brains possible to spend this money on the development of these groups. After a careful study and inquiry, Thomas S. Davey has been retained to take complete charge of the management and development operations. His career has been well summarizd by South-West Mining News, Los Angeles, California, as follows: —

"Thomas S. Davey began his mining career at Elkhorn, Montana, in 1898, when that camp was in the heyday of its brief prosperity, and two years later went to De Lamar, Idaho, where he was connected with the De Lamar Company. He then spent some time in Butte, going from there to Angels Camp, California. From there he went to Central City, Colorado, and then to West Africa, where he was connected with the Ashanti Gold Fields Corporation of London, under Major Litchfield. In 1905 and 1906 he was manager of the Portland Mine, Cripple Creek, Colorado, and in 1907 went to Cuba for the Cuban Development Syndicate. The same year he returned to the United States and became associated with the American Smelting and Refining Company at the Dolores Mine, San Luis Potosi, Mexico, holding that position until 1912. Subsequent engagements took him to Ecuador, where he was associated with Andean Development at Quayaquil and back to the Dolores Mine in Mexico. Later he held an important position with Moctezuma Copper Company controlled by Phelps, Dodge & Company, and returned to Colorado, where he was superintendent for Continental Mines Development Company at Idaho Springs. In 1918 he was with the Crown Point Belcher Company at Gold Hill, Nevada, and from 1918 to 1922 was with the Eden Mining Company in Nicaragua. He arrived in Arizona in 1922 and became manager of the Blue Bell Mine of Southwest Metals Company in Yavapai County, about 40 miles north of the Kay Mine. While holding that position, he increased daily output from 100 to 300 tons, thus making the property the mainstay of the Company's smelting plant at Humboldt."

Mr. Davey was selected because one of the biggest mine operators in the United States said he was the man we wanted for this particular kind of an operation and because he has had an experience that eminently fits him to handle the different operations we plan. Much of his experience has been in ores such as are found in Ben Nevis and Sudbury districts, while he has had a great deal of experience in the mode of operations such as will be necessary on our British Columbia properties.

In our advertisement of January 27, in this paper, we unwittingly said that associated with Alexandria Gold Mines were the following, among others: C. H. Dickie, M.P., Senator S. J. Crowe, Senator W. H. Sharpe, M. C. Senn, M.P., Harry Maynard, Grote Stirling, M.P., J. D. Chaplin, M.P., R. V. LeSeur, T. E. Simpson, M.P., W. A. Boys, M.P. What should have been said was that they were associated with Alexandria Mining Company, and are among those who hold the 812,000 shares of Alexandria Mining Company stock outstanding at the time our option was taken.

Authorized Capital of Alexandria Gold Mines Limited — $5,000,000, Par Value $1.00

OFFICERS AND DIRECTORS

President..............................General A. E. Ross, M.P., Kingston, Ontario
Treasurer..............................Sydney E. Anglin, Toronto, Ontario
Secretary..............................Robert Fennell, Barrister, Toronto, Ontario
Director..............................C. V. Charters, Brampton, Ontario
Director..............................G. McL. Stevenson, Barrie, Ontario
General Manager..............................Thomas S. Davey, M.E., Phoenix, Arizona, U.S.A.

We recommend this issue as a speculation of exceptional merit. A complete report, and maps, of the Company's holdings will be gladly furnished upon request.

ANGLO-LONDON SECURITY CORPORATION
ROYAL BANK BUILDING, TORONTO, ONTARIO

ELgin Six-Seven-Four-Five

Expanding Program Wright Hargreaves Cuts Milling Grade

Development and Exploration Accounts for Increase in Total Costs

NO CAUSE TO WORRY

Besides Carrying Operations to Deeper Levels, Exploratory Work Continues Toward Lake Shore

Wright Hargreaves millheads dropped to $10.51 per ton during the year 1927. As a result, the big increase in tonnage failed to show any material increase in earnings and to take care of all charges, extraordinary as well as regular dividends, the company had to draw substantially on its surplus.

Wright Hargreaves story seems to be one of expansion. The company carried out the large program of work outlined in the last annual report. In doing so, a heavier tonnage of low grade ore than was expected was encountered particularly in the sixth break. This of course had to be got out of the way and was sent through the mill.

Increase In Costs

A glance at the comparative table published below shows a substantial increase in total costs and also in the average costs per ton. The expansion of development and exploration explains this also.

It was pointed out a year ago that up to that time operations had been confined to a narrow wedge around the two shafts. It was proposed to branch out when new equipment was ready. This was done on a substantial scale during the year. Besides carrying operations to deeper levels, Manager James Grant sent out on an aggressive exploration of the substantial block of ground towards the Lake Shore.

With these facts in mind one finds little cause to worry over the situation at the mine. It is a story of evolution from a small to a large operation and taking the ore as it comes in development. In another column will be found an article dealing with the production of the leaders of the camp. The yearly figures on each tell a story of expansion. Lake Shore shareholders did not worry in 1922 when millheads dropped $3 per ton. Last year they dropped $4 a ton and still the stock went up. In 1924 Teck Hughes millheads showed a decline of $6.03 per ton. Though they dropped $3.50 per ton last year, Wright Hargreaves average is still considerably above the 1923 figures.

Ore Reserves

The report does not make any mention of ore reserves, but both the president and manager point to possibilities of new ore which have been opened up during the year. When they go so far as this, one can almost conclude that they know considerably more about this ground than their bare statement would indicate. For instance it is pointed out that considerable faulting has been encountered to the west and that this has been studied and the president says they are warranted in being greatly encouraged. Rather a significant statement is that they are getting below the faulted area and thus getting more continuity to the ore bodies and this will alleviate a great amount of dead work.

Pres. Cabana also points to the large area to the east which is for the most part untouched and mentions the excellent ore which the Sylvanite to the east is getting and which ore lies in line with Wright Hargreaves south claim. He says that this year they will give considerable attention to new work.

One cannot help feel in that the management of the Wright Hargreaves Co has just got to the point where equipment will allow one to learn something about the property and to ultimately open it up so that its real possibilities can be realized.

Manager Grant outlines some of the new work of the year as follows:

On the north break, No. 1 shaft was completed to 1,780-ft. in depth and stations cut at 1,625 and 1,750-foot levels. Ore has been opened up for about 30 feet on each of these levels, which compares favorably with the ore on the four levels above. This work has just been completed and mining will start on the levels about January 10th, as soon as pipes, guides and ladders have been put in, and the 1,750 station is made ready for sinking to the 2,000-foot level, which work we intend to resume about February 1st.

On the south break, No. 3 shaft was continued from the 1,375 to the 1,500-ft. level, where a loading pocket has been constructed. A new, large double drum hoist with capacity of 3,500 feet in depth, was installed the latter part of the year at the main shaft, and it is planned to continue sinking this shaft to the 2,000-ft. level.

Previous to 1927, 85 per cent. of the ore treated was mined from the centre of the property and adjacent to No. 1 and 3 shafts, the balance coming from ground between the 400 and surface, west of what is known as No. 1 fault, on No. 2 or south break. This left both our west and east claims adjoining Lake Shore and Sylvanite, respectively, with very little exploration work done on them, and part of our year's program was to explore this ground from the 1,250-ft. level on both veins. This work has been carried out to a limited degree on the west claim of our property, until a knowledge of the faulting problems has been acquired, so that future development can be carried on at a much less cost in this region than before this work was done. On the east end of our property, very little work has been done, and will require more work before the faulting and formation can be mapped.

The program for the coming year embraces a plan to sink both the No. 1 and 3 shafts to the 2,000-ft level. Both shafts should be down to 2,000 feet by August, also thoroughly prospect our east claim which lies between the centre workings and the Sylvanite boundary, and carry on extensive development work on the west claim, and inasmuch as it appears we are below the faulted zone on this area, we can expect that section to be much more productive of values.

Balance sheet figures and cost tables are given in the following tables:

EXPANDING PROGRAM

Profit and Loss—	1927	1926	1925	1924	1923
Bullion produced	$2,151,916	$2,150,844	$1,193,401	$1,088,725	$ 754,978
Other income	60,319	61,299	37,174	26,838	9,958
Total income	2,212,235	2,212,143	1,950,575	1,115,563	774,936
Costs	1,144,055	819,397	740,931	535,049	470,033
Net profit	1,068,180	1,392,746	1,209,644	580,514	304,903
Less mine exhaustion	89,164	114,000	114,725	....	....
Dividends	1,237,500	618,750	687,500	343,750	137,500
Taxes	65,031	100,036	95,000	44,627	24,236
Pre-development	....	....	30,242	76,038	94,554
Total	1,391,695	832,786	927,467	464,415	256,290
Balance forward	*323,515	559,960	172,635	55,038	6,423
Brought forward	1,025,822	458,515	282,177	116,099	48,613
Taxes	6,750	7,347	3,702	1,497	....
Surplus	709,058	1,025,822	458,514	172,634	55,036
Shares issued	5,500,000	2,750,000	2,750,000	2,750,000	2,750,000
*Deficit.					
Capital Account—					
Current assets	1,296,822	1,730,108	1,363,613	710,753	373,287
Current liabilities	116,864	142,413	402,642	213,306	54,440
Working capital	1,179,958	1,587,695	960,971	497,447	318,847
Mining properties	1,182,111	1,271,275	1,385,275	1,500,000	1,500,000
Plant equipment	504,558	371,850	317,266	349,942	334,907
Pre-development cost	....	269,682	269,682	269,682	269,682
Written off	....	269,682	269,682	239,439	163,401
Costs—					
Mining	500,156	339,839	307,512	226,870	197,730
Hoisting and milling	424,270	294,354	264,845	169,047	167,543
Marketing and general	145,202	96,495	89,153	70,613	63,334
Depreciation	74,427	88,709	79,421	68,520	41,425
	$1,144,055	$ 819,367	$ 740,931	$ 535,050	$ 470,032

OPERATING COSTS—

	1927		1926		1925		1924	
	Total	Per Ton	Total	Per Ton	Total	Per Ton	Total	Per Ton
Devel. and exploration	$236,561	$1.13	$107,307	$ .70	$111,371	$ .753	$ 82,345	$ .975
Stoping	263,596	1.26	232,532	1.516	196,141	1.326	144,525	1.711
Hoisting	182,933	.875	109,973	.717	93,357	.631	47,704	.565
Milling	241,336	1.154	184,382	1.200	171,488	1.159	121,342	1.436
Marketing	14,890	.071	13,973	.091	14,486	.098	8,488	.100
General	130,311	.633	82,521	.538	74,667	.504	62,125	.735
Depreciation	74,427	.356	88,709	.579	79,421	.537	68,520	.811
	$1,144,055	$5.469	$819,397	$5.341	$740,931	$5.008	$535,050	$6.333

Molybdenite Reported on D. B. Duke Claims

By Staff Editor

HAILEYBURY.—Important finds of molybdenite are reported to have been made on the D. B. Duke claims, west of Marbano Mining Syndicate, Steele Township. Ore is said to have been uncovered for a width of ten feet and to have been traced for a distance of over half a mile. Shots put in disclosed quartz peppered with molybdenite, and also carrying values in gold.

An effort is now being made to interest Montreal financiers in the development of this property.

SHAFT EXCAVATION STARTS ON CAMBRO

Design for Permanent Head Frame is Being Prepared

By Staff Editor

HAILEYBURY.—Work on the Cambro Kirkland Mines, Kirkland Lake, was confined chiefly to the construction of camp buildings during the month of January. Excavation of the shaft has begun and a design and estimate of the permanent head frame is now in the course of preparation. A contract has been signed with the Northern Ontario Light and Power Co. for electric power, and work on the construction of the power line and delivery of equipment has commenced.

In submitting his progress report to the board of directors, Carl Erickson, mine manager, states that a cookhouse with accommodation for 40 men, a bunk house for 30 men, a storehouse, ice house, outhouses and oil house were completed during the past month. Three-quarters of a mile of telephone line was constructed and a survey of the power line made.

A two-storey building, the first floor of which will be used for a general work office, engineering and drafting room, and mine store house, the second floor as staff living quarters is now under construction.

Other buildings still to be erected are the hoisting house, blacksmith shop, stable and powder magazine. It is anticipated that work on these will be completed this month.

NICKEL COMPANIES AND TIMMONS TAKE UP SUDBURY GROUPS

the present owners to test it out at depth by diamond drilling; the property is situated about midway between the Garson mine (Mond Nickel Co.) and the Blezard mine, another of the Mond properties. It is reported around, that the Mond Nickel Co. have become interested in copper-zinc-lead deposits in the Sudbury Basin. How true the report is it is hard to tell, for this company is keeping it very quiet, if they are. It is also rumored that the Mond Co. are interested in the option and purchase of the Howland-Mitchener mine lying immediately south of the Worthington mine, and will work the Worthington (which caved in last fall) from the Howland-Mitchener property. The Worthington is full of rock and water from the 500 ft. level to the surface, under the 500 ft. level; it is thought the mine is in fair shape and could be worked from the adjoining property.

The International Nickel Co. have taken up a very large acreage of zinc-lead property on the west side of the Sudbury Basin and rumor has it that they are also interested in a group east of the Bunker Hill property.

The International survey overlooked a big bet; for nearly twenty years the Treadwell property lay within a short distance of their properties and escaped their attention entirely.

Active preparations are being made at the Frood Mine, to bring it into production at as early a date as possible. This on account of the copper contents of the ore under the 2,000 ft. level, which is also rich in precious metals beyond a dream.

At no time in its history has so much independent development work been carried on by big interests in the Sudbury district.

The recording office at Sudbury is jammed with business, more than one thousand claims being recorded since October last, this together with abstracts of title, transfers, and other incidental work in connection with a busy mining camp has put the office staff far behind with their work. The recording office was moved last autumn from the Stafford block to new quarters, which have proved to be entirely too small. On account of the cramped quarters it is very hard for the staff to keep up with the rush of business and give good results. The office could be easily enlarged by building an addition to one end of it. The Sudbury office gets the reputation of being the best revenue producer in the province. It should have ample space to do its work in without the staff having to work nights to try and catch up, this they have been doing now for nearly a month back.

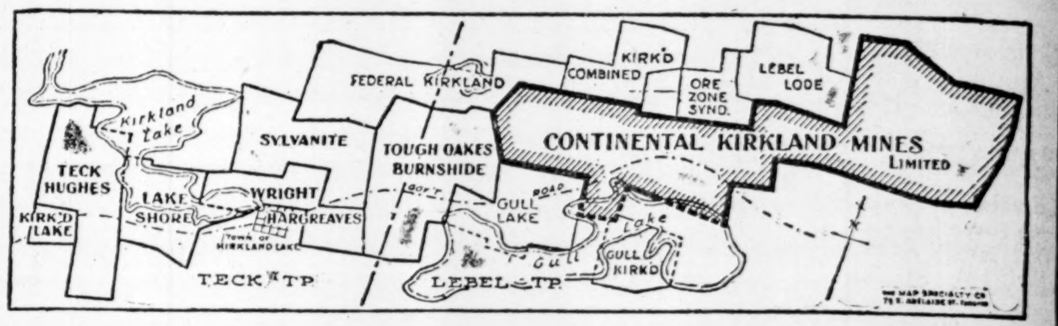
Once the matter comes to the attention of Hon. Charles McCrea, Minister of Mines, there is sure to be a prompt arrangement made for more room. Unless there is much more room provided there is sure to be great congestion of business and a very great inconvenience to the mining interests of the province.

MINING STOCK QUOTATIONS

Week Ending February 14

	Par Val.	Div. Rate	Yield	High for wk.	Low for wk.	Close Feb. 14	Sales for wk.	Range 1927 High	Range 1927 Low	Range 1928 High	Range 1928 Low
Abana	1	....	....	3.05	2.95	2.95	16260	4.90	.20	3.95	2.75
Aconda	1	....	....	40	35	39½	329400	45	14½	40	29
Afton	1	....	....	1.46	1.45	1.46	2425	1.30	1.00	1.46	1.25
Algonquin	1	....	....	2⅝	2½	2¾	36000	5¼	2	3	2
Ankerite	.	....	....	1.01	.98	.98	1150	1.25	1.15	1.23	.98
Amity C.	.	....	....	30¾	25	25	41200	50	24½	44	24
Amulet	1	....	....	4.00	3.60	3.78	55160	7.10	.85	5.20	3.30
Amulet Rts.	.	....	....	75	60	64½	97251	....	....	80	50
Apex	1	....	....	7⅞	6⅞	7¼	38650	10	1	9	6⅝
Area	1	....	....	.26	.24	.25	32950	1.95	.23	.32	.21
Argo. Con.	1	....	....	25	20	23¾	291983	59	25	34	20
Arno	.	....	....	29¾	26½	28	90221	....	....	37	21¾
Atlas	1	....	....	3¾	3	3⅜	28100	7	2	4¾	3
Bagamac	.	....	....	....	....	....	....	19	6	5	5
Big Missouri	.	....	....	61	60	61	1100	....	....	90	60
Bathurst	.	....	....	33	25	31	59005	....	....	35	22
Baldwin	1	....	....	2¾	2	2	22000	5½	1	3½	2
Bedford	.	....	....	54	46	48	226700	52	19	54	38
Barry Holl.	1	....	....	.82½	.74	.81	97180	1.50	.25	1.20	.73
Beaver	1	....	....	1.75	1.62	1.63	196650	2.75	.59½	2.25	1.53
Bellellen L.	1	....	....	....	....	....	....	23½	3	3½	2½
Bidgood	1	....	....	.73	.64	.70½	245450	1.83	.5	1.60	.64
Boischatel	None	....	....	4	3½	3½	40400	27	3	5	3½
Bourlamaque	1	....	....	....	....	....	....	1.53	.50	....	....
Buckingham	1	....	....	5	5	5	16000	9½	3	7	5
Bunker Hill	10	....	....	....	....	....		160	75¼	....	....
Big Horn	.	....	....	40	39	40	1600	....	....	44	39
B.V.Develop.	.	....	....	2.00	1.80	2.00	2795	1.32	1.12	2.00	1.32
Cambro	.	....	....	30	29	30	7000	58	55	55	29
Can. Lorraine	1	....	....	13	12	12	2700	72	10	18½	12
Capitol S.	1	....	....	17¼	16¼	16¼	16000	34	14	18½	15
Capitol R.	1	....	....	15½	13¼	14¼	511450	54½	10	18	12
Castle Tre.	1	....	....	.75	.63	.70	22600	1.27	.61	.81½	.63
Cen. Man.	1	....	....	1.68	1.55	1.58	31650	2.30	1.07	1.95	1.50
Chaput H.	1	....	....	12¼	10	10	71500	20	4⅝	18	10
Clifton	1	....	....	....	....	....	....	3½	½	2	1
Coast Copper	5	....	....	54	44	52	10455	43¾	9¼	60	36
Col. Kirk	1	....	....	6½	5	5	249100	16	1½	9½	5
Clericy	.	....	....	....	....	....	....	31½	31	30½	17
Coniagas	5	....	....	4.90	4.70	4.70	505	5.05	3.20	5.05	4.70
Coniaurum	5	....	....	5.03	4.90	5.00	1066	5.78	2.80	5.50	4.90
Cons. Smelter	15	10+40	4.40	285	275	284	4571	274½	215	289½	251
Copper Hill	1	....	....	....	....	....		68	36	46	44
Corona	1	....	....	11¼	10	11	93600	37	10	16	10
Crown Res.	1	....	....	53	42	46	74783	80	39	70	39
Destor	1	....	....	....	....	....	....	43	20	20	20
Dome Mines	None	$1	7.81	13.00	11.70	12.80	13918	14.60	6.85	13.35	11.70
Dom. Kirk.	1	....	....	4	3¼	3¼	14700	12	1½	6½	3
Don. Rouyn	1	....	....	17	15	16	6900	56½	17½	22	13
Dubec	1	....	....	.45	.40	.45	1500	1.48	.35	.72	.40
Duprat	1	....	....	9½	8	8¼	53100	21	9¼	12½	8
Dupuy	.	....	....	....	....	....	....	79½	9	....	....
Everett	1	....	....	2¼	2⅛	2⅛	4500	5½	1¼	3	1½
Federal Kirk	1	....	....	70	69	69	16900	78	40	77	69
Fiske	1	....	....	....	....	....	....	30½	5	10	4
Gifford	1	....	....	....	....	....		1¼	¼	....	....
Goldale Rts.	.	....	....	2	1¼	1¼	162719	....	....	2	1¼
Goldale	1	....	....	35	32	34¼	29800	51½	20	44	30¼
Gold Hill	1	....	....	26	24¼	24¼	114200	54	22	38¼	24¼
Gold Reef	1	....	....	1¾	1½	1¾	10000	2½	1½	2	1¼
Gran. Rouyn	1	....	....	25½	20	23	100950	41	14½	35½	20
Grover Daley	1	....	....	9¼	8½	9	41400	37	8	15	8½
Goodfish	.	....	....	48	42	43	16450	....	....	78	42
Harker	.	....	....	43	43	43	200	....	....	43	43
Harvie Exp.	None	....	....	.68	.50	.65	4275	2.40	.50	.85	.50
Hecla Con.	.	....	....	1.05	.96	1.05	4050	....	....	1.05	.95
Hillcrest, c.	100	6	10.00	....	....	....	....	65	50	....	....
Hillcrest, p.	100	7	8.09	....	....	....	....	90	81½	86¾	85
Hilltop	1	....	....	17	15	15¼	42700	25	6½	23½	15
Hollinger	5	26	7.53	17.90	17.00	17.25	27459	22.65	16.40	18.10	17.00
Howey Gold	1	....	....	1.38	1.30	1.35	121890	1.78	.42	1.91	1.26
Hudson	.	....	....	20.25	18.20	19.30	21368	....	....	23.25	17.50
Indian	1	....	....	....	....	....	....	12	4	15	5
Int. Nickel.	25	$2	2.14	96	90½	93¼	85434	90¼	38	100	81½
Jackson M.	1	....	....	76	71½	72¾	52700	86	36	86	71½
Keeley	1	16	25.40	.63	.59	.63	12250	1.66	.69	.72	.53
Keora M.	1	....	....	3⅛	3⅛	3⅛	3000	13½	2	5	2½
Kirk Hunt.	1	....	....	19½	16	17¼	42438	35½	10	26	16
Kirk. Lake.	1	....	....	2.21	1.97	2.02	306673	3.06	.82	2.75	1.93
Koot. Flor.	20c.	....	....	40	35	36	114050	31	22	47	28
Lebel Oro	1	....	....	32	26	26½	44900	66	30	59	26
La Rose	1	....	....	5	5	5	1000	12	3	7	4¼
Lake Shore	1	40+30	3.04	24.75	21.85	22.99	24584	28.20	15.40	27.70	21.85
Laval	1	....	....	24	21	22	88075	59	19½	28	20
Lorrain C.	1	....	....	1⅛	1⅛	1⅛	1300	3¼	1	1⅛	1
Lorrain T.L.	1	....	....	....	....	....	....	.86	.52	....	....
Macassa	1	....	....	44	40	40	21200	69	18	55½	40
Malartic	1	....	....	94	87½	89	254655	78	23½	99	70
Marriott	1	....	....	30	30	30	1500	45	35	46	30
McDougall	1	....	....	60	50½	54	114350	90	24	60	47
McKinley	1	....	....	18¼	18¼	18½	8100	25½	11	20	18
McIntyre	5	20	3.70	28.00	26.50	27.00	5030	29.00	24.00	29.00	26.50
Mint Ore	.	....	....	38¼	28	34	134000	....	....	38¼	25
Millcrest	1	....	....	9½	8½	9	24950	15	2	12	8
Mining Corp.	5	25c.	....	4.05	3.75	4.00	39820	5.05	2.90	5.50	3.70
Moneta	1	....	....	10	10	10	500	15½	8¼	12	9
Montreal R.	1	....	....	8	6	6	1300	35	10	16	6
Moss	.	....	....	70	62	65	19800	....	....	70	62
Monelk	.	....	....	....	....	....	....	....	....	15	15
Mond Nickel	.	....	....	35.25	34.95	35.00	625	....	....	36.00	34.95
Murphy	.	....	....	48	36	36	16300	....	....	49¼	36
Newbec	1	....	....	.56	.45	.45	52300	1.20	.62½	.66	.45
Newray	1	....	....	....	....	....	....	50	28	....	....
Night Hawk	1	....	....	8	7	7½	17200	10½	4	10	7
Nipissing	5	6	6.06	5.17	4.95	4.95	5645	10.30	5.25	6.00	4.95
Noranda	None	....	....	19.80	18.00	19.70	64985	25.80	19.95	23.85	18.00
Nat. P. & D.	.	....	....	10.00	9.25	10.00	7560	....	....	10.00	7.75
Ophir	1	....	....	2¼	1½	2¼	3000	4⅝	¼	2½	1½
Osisko	.	....	....	.47	.46	.46	1100	1.75	.35	.64	.45
Pawnee Kirk	1	....	....	55	40	45½	34050	78	54	80	40
Picard	.	....	....	57	55	55	12100	....	....	77	55
P. L. Cobalt	1	....	....	14½	12½	13¼	55850	18	2	16½	6
Porc. Crown	1	....	....	5	4	4	10512	11	3	8	4
Pioneer	1	....	....	.58	.53	.54½	92091	1.18	.45	.60	.48
Potter Doal	None	....	....	17	15	15½	78750	65	10½	22	15
Premier Gold	1	32c.	11.85	2.80	2.60	2.70	9050	2.50	1.86	3.50	2.15
Preston	1	....	....	....	....	....	....	7	3	5	4
Pend Ore	.	....	....	14.90	10.00	14.30	50603	....	....	14.90	8.00
Realty & M.	.	....	....	14½	12	12¼	21300	38	15	17	9½
Ribago	.	....	....	16¼	13½	14	182400	87	13	25	13½
Rouyn G.	1	....	....	2	2	2	3500	4	2½	3	1½
Rouyn, Que.	1	....	....	....	....	....	....	4⅛	1	1½	1½
Rubec	1	....	....	.50	.40	.40	750	3.65	.80	.80	.40
San Antonio	.	....	....	46	36½	44	131600	57	30	54½	36½
Sherritt G.	.	....	....	8.00	6.85	7.30	63551	....	....	8.00	5.90
Siscoe	1	....	....	40	38	40	21500	60	12	43	15
South Keora	1	....	....	10	8	9	14300	64½	4½	17¼	8
Stadacona	None	....	....	19	16½	17½	136950	55	13	21½	15
St. Anthony	1	....	....	36	35	35	2050	50	16	42	33
Sud. Basin.	1	....	....	14.75	13.60	14.45	39140	11.85	4.00	15.00	11.50
Sylvanite	1	....	....	3.65	3.25	3.30	7520	4.80	2.60	3.90	3.20
Sudbury M.	.	....	....	28	23¼	25	11200	....	....	33¼	22
Sunloch	.	....	....	3.50	3.00	3.15	3625	....	....	6.50	3.00
Teck Hughes	1	10+5	....	9.10	8.25	8.86	176560	12.00	5.37	10.80	8.25
Thomp. Krist	1	....	....	....	....	....	....	2	½	....	....
Tough Oakes	1	....	....	59	52½	56	141600	82	25	79	51
Towagmac	1	....	....	3.40	3.05	3.10	7245	5.75	2.85	4.10	3.01
Telluride	1	....	....	41	41	41	1000	38	35	41	39
Timiskaming	1	....	....	10¼	10¼	10¼	500	12	4	10¼	6
Treadwell Y.	1	....	....	28.50	24.75	27.10	3145	26.75	18.50	32.00	24.75
Vic. Silver	1	....	....	....	....	....	....	14	1½	....	....
Vickers	1	....	....	.82	.82	.82	1000	1.52	.25	1.25	.80
Vipond	1	....	....	.57	.53	.55	27750	1.74	.47	.85	.53
Wakenda	1	....	....	11¼	9	9	161950	16	1	11¼	7
Wasapika	1	....	....	....	....	....	....	2	1	....	....
West D. Lake	1	....	....	15½	12½	15	85650	20	8	17½	10
West Tree	1	....	....	....	....	....	....	4½	1	....	....
Wettlaufer	1	....	....	....	....	....	....	4¾	1½	....	....
Wiltsey C.	1	....	....	46	45	46	850	74	50	56	45
Wright Har.	None	20c.	4.26	5.57	4.40	4.69	288475	8.45	5.50	6.80	4.40
Windfall R.	.	....	....	17½	16	16	17700	31	19¾	25	15

Continental Kirkland Mines, Ltd.



Authorized Capital 5,000,000 Shares --- Par Value: One Dollar Per Share

PROPERTY: This company owns 27 adjoining claims, having a length of approximately 3 miles, along what appears to be the continuation of the "main break."

GEOLOGY: These claims have been carefully surveyed and detail geological maps have been made, indicating geological conditions similar to the producing Kirkland Lake Mines, adjacent to the west.

DEVELOPMENT: The No. 1 shaft is now down 800 feet. It is proposed to crosscut north and south from this 800 level, and also, perhaps, diamond drill from this level.

The No. 2 shaft is down 50 feet. It will be continued down to 400 level or deeper, some drifting east and west, and then crosscutting.

There are several very interesting surface showings that will be further investigated.

FINANCES: The company already has $200,000 cash on hand, and when present financing is completed there should be about 4,000,000 shares issued and $575,000 cash in the treasury.

It is the opinion of the management that this $575,000 is sufficient to prove up the mine. The remaining 1,000,000 shares (treasury) are not optioned, but will be kept for future uses, if needed.

DIRECTORATE:

ROBT. A. BRYCE	Mining Eng.	Toronto	President.
R. C. WARRINER	" "	New York	Director.
H. C. McCLOSKEY	" "	Toronto	"
THOS. RIGGS	Civil Eng.	New York	"
C. M. HUYCKE	Attorney	Toronto	"

The present financing has been done by a small Syndicate under the direction of W. J. Chalmers, 330 Bay Street, Toronto.

As the initial allotment of 1,000,000 shares is entirely disposed of, this is issued as statistical data only.

To Shareholders Of

Porcupine Crown

Please communicate with us at once stating the number of shares you hold as well as the price paid.

Robert & Co.
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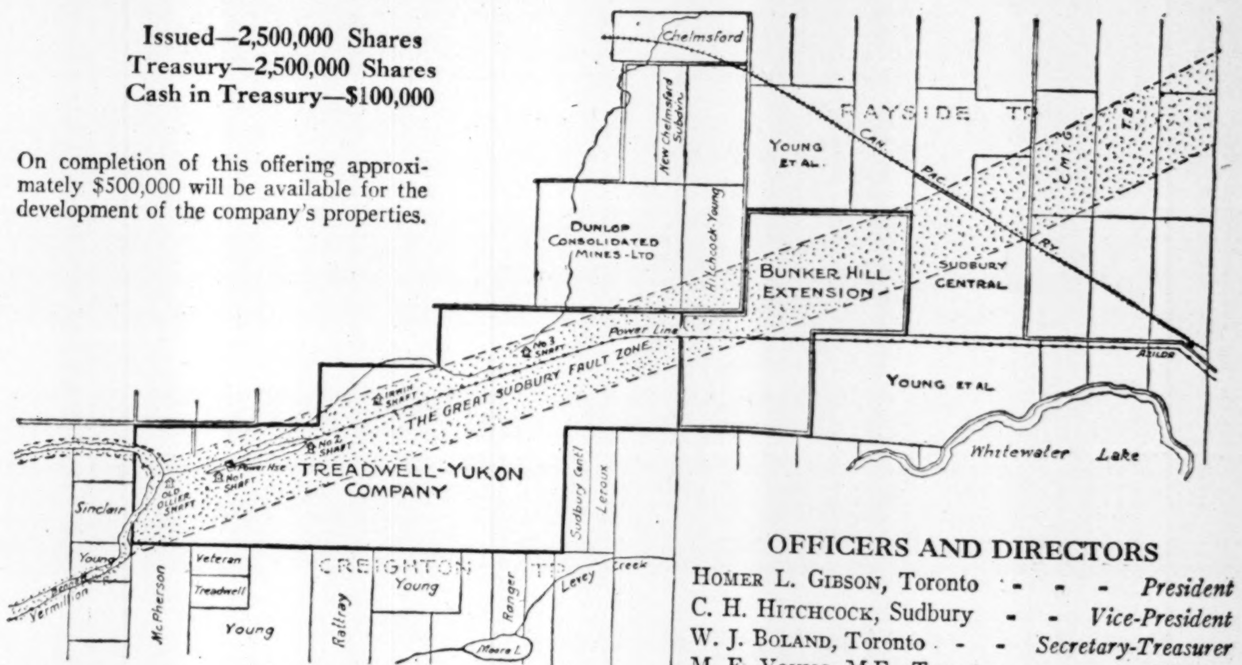
Pre-listing Offering

Bunker Hill Extension
Mines, Limited

Incorporated under The Companies' Act
Authorized Capital - - - 5,000,000 Shares
No Par Value

Issued—2,500,000 Shares
Treasury—2,500,000 Shares
Cash in Treasury—$100,000

On completion of this offering approximately $500,000 will be available for the development of the company's properties.



OFFICERS AND DIRECTORS
HOMER L. GIBSON, Toronto - - - *President*
C. H. HITCHCOCK, Sudbury - - *Vice-President*
W. J. BOLAND, Toronto - - - *Secretary-Treasurer*
M. E. YOUNG, M.E., Toronto - - - *Director*
W. R. VIDLER, M.E., Haileybury - - *Director*

Head Office of the Company - - 1201 Bank of Hamilton Bldg., Toronto

TRANSFER AGENT AND REGISTRAR
The Trusts and Guarantee Company, Limited

PROPERTIES

The holdings of this company consist of 1460 acres approx. situated in the Sudbury Basin and adjoin on the east the Treadwell-Yukon, as shown on the map.

These properties are so situated as to contain a length of two and one quarter miles of the great Sudbury fault zone in which Treadwell-Yukon is stated to have proven one million tons of commercial grade copper-zinc-lead ore and to have indicated a further huge tonnage. They also lie in the direct northeast-southwest strike of the fault zone.

It will thus be seen that the holdings of Bunker Hill Extension Mines, Limited, have been carefully chosen in regard to both proximity to the most important ore development in the district (Treadwell-Yukon) and to the strike of the fault zone.

POSSIBILITIES

Preliminary diamond drilling on the Bunker Hill Extension close to the boundary of the Treadwell-Yukon has definitely proven the fault zone to be extending into the Bunker Hill Extension property.

Mining engineers and geologists familiar with conditions in the Sudbury Basin concede Bunker Hill Extension an excellent chance to locate ore bodies within the fault zone embraced by the property.

IMMEDIATE DEVELOPMENT

To investigate these possibilities, diamond drill contracts have been let and exploration on a large scale is starting at once. This work will be under the supervision of C. H. Hitchcock, vice-president, whose many years' experience in this field make him eminently fitted to direct the efforts of the company in this work.

The management of this company is in responsible, competent hands; the company's treasury is strongly entrenched; the property is ideally located and holds out definite possibilities of becoming a profitable mine on further exploration and development.

The shares of the company, under these circumstances, are recommended as a worthy mining speculation at the pre-listing offering price of 50 cents per share.

Upon completion of this offering application for listing is to be made. An active market is indicated.

SUBSCRIPTIONS SHOULD BE PLACED WITH YOUR OWN BROKER FROM WHOM COPY OF THE PROSPECTUS WILL BE OBTAINED

The prospectus of this company has been filed with the Provincial Secretary and the Secretary of State.

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FEDERAL KIRKLAND IS SHAFT SINKING TO 375-FT. DEPTH

It is Proposed to go to Depth of 700 Feet

HAILEYBURY.—The work of shaft-sinking on the property of the Federal Kirkland Mines, Kirkland Lake, is progressing rapidly and the shaft is now down to a depth of 375 feet. The mines were only linked up with the power lines towards the close of December so that it was not until the turn of the year that the work of opening up the property really got nicely away.

The shaft had been sunk to a depth of 200 feet when operations were resumed under the new organization last September. This was a two compartment shaft. It has since been converted to one of three compartments from 165 feet. It is proposed to sink the shaft to a depth of 700 feet. Stations will be cut at 400, 550 and 700 feet. When a depth of 700 is reached, cross cuts will be driven to the vein at the 550 and 700 levels.

The Federal Kirkland development is sponsored by R. R. Brown and T. R. Buchanan, under whose supervision the preliminary work started last September, has been carried out. Lindsay Foss, formerly with the Dome Mines, was placed in charge of operations at the beginning of the present year, and a crew of 40 men are now carrying out the work under his direction.

The Federal Kirkland property lies immediately north of the Sylvanite and Tough-Oakes properties at Kirkland Lake, and has a break of 8,000 feet parallel to the main break of the Kirkland Lake camp.

The company was organized last September by consolidating two claims of Federal Mines, two claims of Kirkland Combined, five claims of W. N. Wright and a fraction owned by Routley and Summer, making a group of 10 claims of 300 acres in all.

At the time the property was taken over, about 300 feet of lateral work had been done on the 200 foot level. No work had been carried out, however, since the tragic deaths of Bill Green and George Andrews, who were burnt to death while operating the property back in 1921.

Operations to be Resumed on Ossian Gold Mines

KIRKLAND LAKE.—Operations are to be resumed immediately in the Ossian Gold Mines property in Ossian Township. The Ossian had its shaft sunk to a depth of 250 feet when operations were brought to a close for lack of supplies. Winter roads have now been established which will permit work to be resumed. The Ossian is reported to be a very promising property and further development work is being looked forward to with interest.

Dewatering of Shaft on Macassa Proceeds

HAILEYBURY.—The work of dewatering the shaft and workings of the Macassa Mines at Kirkland Lake, is progressing favorably. All the water has been pumped from the 300 foot level, and the pumps are now down to the 500-foot level. It is anticipated that it will take some little time to raise the water from these workings which are the most extensive in the mine. The main development work was being carried on here when operations were suspended last June.

It is prepared to carry the shaft down to depth, possibly 2,500 feet or more, if deemed necessary.

Diamond drilling will be carried out on the westerly section of the property where the geology would indicate ore will be found in close proximity to the surface.

The annual meeting of the company was held at Kirkland Lake last week. It was announced that as at December 31, cash on hand amounted to $203,271.59, mining properties were taken in at $2,122,482.46, exploration and development work at $126,826.40 and other assets at $16,088.95. Accounts payable amounted to $644.01. Shares outstanding totalling 3,175,000, at a par value less discount of $704,495.50, were valued at $2,470,504.50.

It is expected that there will be at least $400,000 in the treasury when shaft sinking is resumed, a substantial amount of capital having already been secured under the recent re-financing arrangements which have been completed.

Application for a charter has been made by the Canadian Aircraft Company of Winnipeg, incorporated at $50,000.

Our Statistical Department

will be glad to render individual reports on any mining issue.

ENQUIRIES INVITED

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Murphy Mines Drill Yields Assay at $7 at First Hole Sunk

Drilling Indicates Structure Retains Same Characteristics and Mineralization as at Surface—Complete Mining Plant is Now on Ground

HAILEYBURY. — The first diamond drill hole sunk on the property of Murphy Mines at Argonaut Road, Gauthier Township, is reported to have cut 10 feet of ore at a depth of 550 feet, giving assays of better than $7. A second hole has been started and is now down to a depth of over 500 feet.

The diamond drilling indicates the structure and veins carry to depth and retains the same characteristics and mineralization as at the surface.

The sinking of the shaft is being carried out with a portable gasoline air compressor, which will permit the work to be carried down to a depth of 100 feet. A complete mining plant is now on the ground including a 10 drill compressor and a 1,200 foot hoist. Concrete is being poured for the foundations for the compressor and hoist, and by the time the work has been completed and the plant housed, the power line will be in.

This will permit the work of carrying the shaft to depth to be started immediately. Present operations are being carried on by a crew of 40 men under the direction of mine manager Charles Milne.

A three-compartment shaft is being put in, and it is proposed to sink it to a depth of at least 600 feet. The first station will be cut at 125 feet, and the others at intervals of 100 feet.

Since work was started last November camp buildings including an office, cookery, and bunk house capable of accommodating 35 men, have been constructed.

A geological survey of the property showed some fairly high values on surface with tellurides and free native gold occupying in two veins showing typical fault structures in Temiskaming sediments with porphyry outcropping between the two.

The Murphy Mines are well situated in regard to transportation and power facilities. The railway runs through the property, and the power line passes within 200 feet of it.

The company is capitalized at 3,000,000 shares, some 2,200,000 shares outstanding are represented by title to five claims of about 211 acres and $135,000 in the treasury. Treasury stock amounts to 800,000 shares.

The stock has been approved for listing on the Standard Mining Exchange and will be called for trading shortly.

The officers and directors of the company are:

President—R. R. Brown, M.E.
Vice-President—Draper Dobie.
Treasurer—E. T. Pointon.
Directors — E. M. Murphy and Percy Knox.

THREE NEW HOLES HAVE ALL HIT ORE ON ANKERITE MINE

New Ore Body is Porphyry, Replacing Previous Sulphide Finds

TIMMINS.—An ore body of a totally different character to that met with in other sections of the mine, has recently been encountered at the Ankerite Gold Mines, South Porcupine, in a diamond drilling campaign being carried out below the 475 foot level, in the north, or No. 5 vein. The new ore body is a porphyry, while that met with hitherto on the upper levels have all been sulphides. Three holes already put in, have all hit ore. A fourth is now being put down, and several more will follow. It is expected that the drill will enter the vein area within a week.

The new porphyry body looks promising and the opening of it will mark a very interesting phase in the Ankerite's development.

The 475 foot-level is the lowest on which mining is being done at present. Following the diamond drilling, the sinking of the shaft, which is now down 600 feet, will be continued, and a new level opened up at 725 feet.

Ankerite is milling about 200 tons a day. No. 5 vein is being mined at the 250, 365 and 475 levels, and ore is being taken from No. 1 vein from the 200, 350 and 475 levels. All production is being handled from the new No. 2 shaft.

Diamond Drilling to Start on Parmac Porcupine Mines

HAILEYBURY.—Tenders have been called for, and bids received, for the diamond drilling of the Parmac Porcupine Mines. Drilling will start about the middle of February.

The Parmac property is one claim distant from the McIntyre mine which lies to the west. It also lies immediately to the south of the Coniaurum and parallels this property for a distance of half a mile.

Parmac is reported to have a good geological structure, and possibilities at depth. The contact between the porphyry and basalt on this property is considered to be of decided importance.

Map of Sudbury Basin

THIS map shows the location of Treadwell-Yukon, National Lead, Sudbury Contact, Sudbury Basin, Sudbury Lode, Bunker Hill Extension, International Nickel and other properties in the Lead-Zinc Zone.

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New Company Formed Near Trill Township

A company has just been formed known as Sudbury Lode Mines, Limited, owning a group of properties comprising 22 claims—880 acres in Trill Township, Sudbury Basin lead-zinc area, adjoining the properties of International Nickel on the south and adjacent to Sudbury Basin Mines, Limited, on the west. The officers and directors of the company are as follows: E. A. Frost, general manager, Realty Finance Company, president; William Earl Smith, barrister, vice-president; W. J. Hollinger, secretary-treasurer; Lieut.-Col. G. F. McFarland, of Messrs. Kerr, Davidson, Paterson & McFarland, director; K. G. Robertson, solicitor, director, all of the city of Toronto. The authorized capital of the company is $600,000 divided into shares of a par value of $1 each.

NORTHLAND MINES IS CONCENTRATING ON 1,000-FT. LEVEL

Manager Says Results Obtained on Main Break Are Encouraging

KIRKLAND LAKE.—Work at the Northland Mines is being concentrated on the 1,000 foot level on the main break to the north of the shaft. This vein which was discovered a couple of months ago in a contact with porphyry and syenite, is a major break and one of the strongest discovered in the camp.

It is being drifted on east and west from the main cross-cut and has been opened up for a distance of 450 feet. Values on the east have not been high, but toward the west in the direction of the diabase dyke which cuts through, values have been improving as the drift advances toward the dyke.

The best sections have run between $7 to $8 a ton, and while this is not commercial ore, it is considered very encouraging in view of the fact that the vein widens in some places to 15 feet. The intention is to continue drifting till the diabase dyke is reached.

This step has been decided on in view of the fact that a narrow section of high grade ore cut by the diamond drills a couple of years ago, checks up pretty well with the main break in a corresponding location.

A couple of encouraging showings have also been opened in the south cross-cut on the same level, and considerable lateral work will be done here.

Mine Manager J. J. Byrne states that the results obtained from work carried out on the main break are very encouraging, and that if values increase, a commercial proposition is assured. He is also of the opinion that higher values will be found at greater depth.

Continental Kirkland Sinks Shaft Fifty Feet

From Our Own Correspondent

HAILEYBURY.—Sinking of No. 2 shaft on the property of Continental Kirkland Mines has been carried down to a depth of 50 feet. A complete mining plant is now on the ground. So soon as it has been erected the work of sinking No. 2 shaft to depth will be continued. It is proposed to put No. 2 down to a depth of 600 to 700 feet and make it the main working shaft.

Cross-cutting and diamond drilling will be carried out on the 800 foot level of No. 1 shaft. There are three well defined breaks south of this shaft, and another to the north. It is anticipated that these will be interesected at depth by the program of cross-cutting and diamond drilling which is to be carried out.

SHAFT TO BE SUNK ON CAMBRO MINES

Plan is to Carry Down to Depth of 500 Feet

KIRKLAND LAKE.—A cookery, and combined bunk house and dining hall, with accommodations for 40 men, has been completed on the property of Cambro Mines. A storehouse, icehouse, office and blacksmith shop are now under construction. As soon as more men can be put on the job, a start will be made in excavating the shaft, which will be carried down some thirty feet or more by hand steel.

It is planned to put in a three compartment shaft and carry this down to a depth of 500 feet. The necessary equipment including a 10 drill compressor has already been purchased and will probably be on the ground within the next two months.

It is expected that the shaft will have been put down to the 500 foot horizon by the early summer and that the work of cross-cutting and drifting at this level will be well under way.

The Cambro mine is situated between the Lebel Oro and Bidgood mines. The mineralization in this area is considered to offer much promise, and the development of Cambro will be followed with close attention.

PAWNEE KIRKLAND CUTS VEIN SYSTEM ON 750-FT. LEVEL

Conditions on Mine are Much Improved Over Upper Levels

KIRKLAND LAKE.—Pawnee Kirkland has cut the downward extension of its vein system at a distance of 120 feet south of the shaft on the 750 foot level. The vein has been opened up by drifting east and west from the cross cut for a distance of 100 feet, and conditions have been found to be much improved over the upper levels. Recent work on the east has shown a grade of $14 ore over drift width. Some faulting was encountered toward the west, but the vein has been picked up again west of this, and has shown stronger again with good values.

Operations have been handicapped by the small hoist, but a double drum hoist is now being installed which will permit development to be carried down to a depth of 1,200 feet.

When the installation of the new hoist has been completed, a cage will be put in and the 750 foot level will be opened up extensively.

The intention is to explore the No. 2 vein laterally for several hundred feet, and to drive a cross-cut north to explore a section of ground which is believed to contain the westward extension of the veins found on the Kirkland Gold Belt property now under option to N. A. Timmins, Inc.

Shaft at Crown Reserve Sinks to 1,200-ft. Level

KIRKLAND LAKE.—The work of sinking the shaft at Crown Reserve to the 1,200 foot level is progressing favorably. The shaft is now down to the 800 foot level. Stations are being cut at intervals of 125 feet. Forty men are working on the property under the direction of N. J. Everett, M.E.

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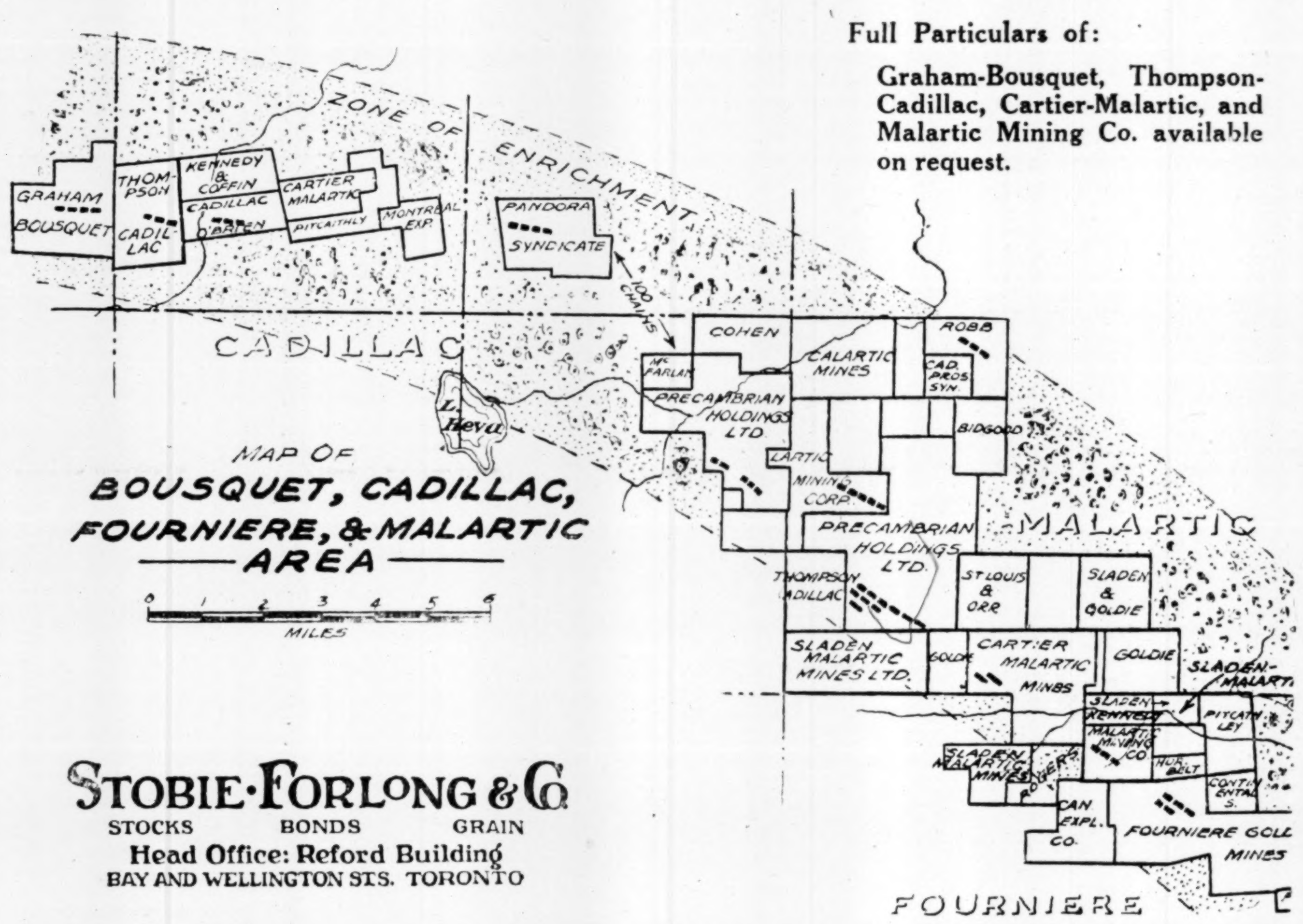

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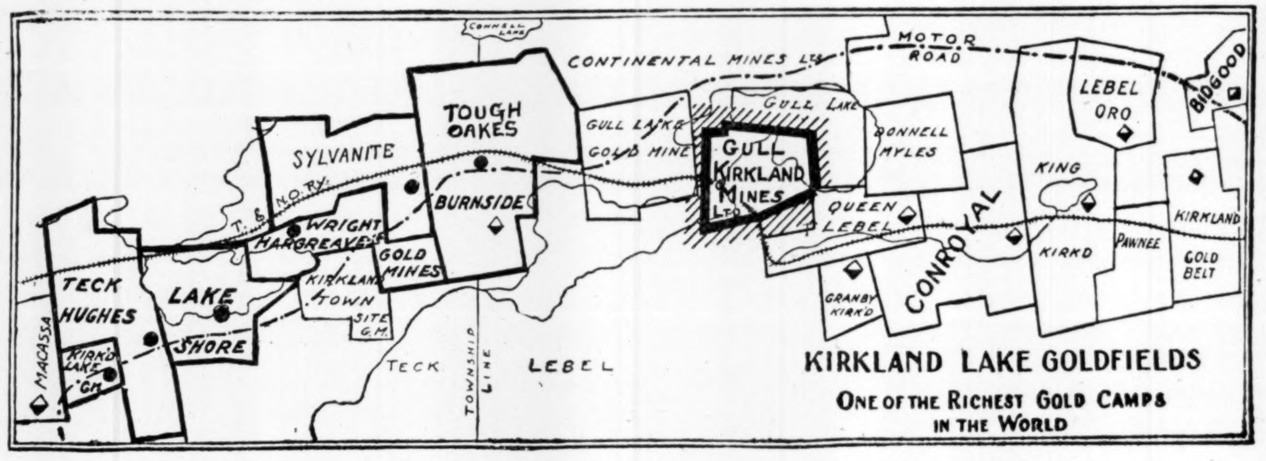
Authorized Capital—$3,000,000 *Par Value—$1.00 per Share*



PROPERTY—Located in the famous KIRKLAND LAKE GOLD CAMP, as shown in the above map, and consists of three (3) claims in Lebel Township, lying between and in line with TECK-HUGHES, LAKE SHORE, WRIGHT-HARGREAVES, SYLVANITE and TOUGH-OAKES to the West, and BIDGOOD, CAMBRO and LEBEL ORO to the East.

DEVELOPMENT—Stripping and trenching have disclosed veins running over 2,000 feet.

DIAMOND DRILLING—Five holes have been drilled to various depths and have proved the existence of six well-mineralized veins running approximately east and west through the property. The results of diamond drilling have proved the geology and formation to be identical with that found in the big producing mines in the KIRKLAND LAKE CAMP.

In view of the satisfactory results obtained from development, the Engineers who have reported on the property advise the immediate sinking of a shaft.

FACILITIES—The T. & N. O. Railway crosses the property, and the power line serving the eastern end of the camp follows the railway line.

The property of GULL-KIRKLAND MINES LIMITED is less than two miles from the Town of Kirkland Lake.

ENGINEERS' REPORTS—Full and complete reports have been prepared by Mr. Harry McMaster, E.M., the engineer in charge of operations, and by Mr. Julius Messer, Mining Engineer.

Copies of these reports and other information may be obtained upon request.

PURPOSE OF ISSUE—The proceeds of the sale of these shares will be used for the immediate sinking of a shaft.

CONCLUSION—Recent developments in the Eastern part of the Kirkland Lake Camp have been of such outstanding importance that they have attracted wide interest and large capital. Further results of a similar nature can be reasonably expected during the present year, and with the excellent location of Gull-Kirkland Mines and the results shown by the work already done these shares possess a very considerable speculative value.

Application will be made in due course for the listing of these shares

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Without obligation on my part, please send to me Engineers' reports and other data pertaining to GULL-KIRKLAND MINES LIMITED.

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....

Statements contained herein are not guaranteed, but are based on information believed to be reliable.

Wright-Carroll Gold Mines, Limited

Officers and Directors:

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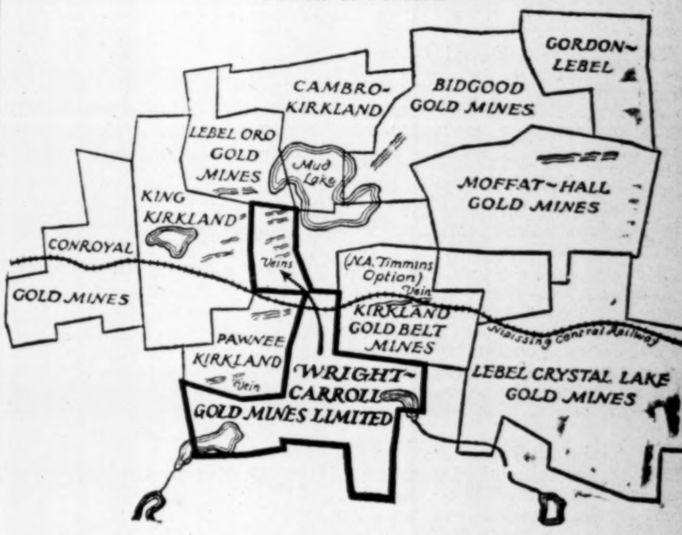

500 acres in the heart of the main developments now under operation in the Eastern Kirkland section.

Northern area of property in line with continuation of Bidgood's main vein. Five strong veins exposed with surface values to $41.60.

Large acreage in line of strike between Pawnee-Kirkland and Kirkland Gold Belt (N. A. Timmins option).

A significant fact is that substantial blocks of this issue have been acquired by operators identified with adjoining properties.

Price: 40c. per share.

Applications may be made to your own Broker, or to

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Application will be made in due course to list these shares on the Standard Stock and Mining Exchange.

Direct Mine Development Opportunity

A Prospector having incorporated his own Company for the purpose of developing his property into a producer, seeks funds for this direct mine-development.

No high costing city offices, officials or directors' fees to pay for, only labor, material and supplies under practical and economical direction that counts in the business of mine-making.

This is another promotion similar to what Lake Shore was, by the prospector owner and under similar practical administration, with the same chances to make good for shareholders.

If you have $500 cash or more to put up in an earnest effort and can afford to wait upon developments upon the property itself for your returns, this will interest you. If you want a stock gamble and excitement you have no business in this, for this is not a gamble, but a speculation upon the outcome of a very definite development program.

Write for particulars in first instance to Box No. 166
The Financial Post, Toronto, Ont.

KIRKLAND-COBALT MINES, LIMITED

(No personal liability)

PROPERTIES

The properties of this Company are situated in the Kirkland Lake District, in the Townships of Teck and Lebel, in Northern Ontario, and consist of approximately 200 acres in one block.

The properties lie about two miles from Kirkland Lake, where the following leading mines are located: Lake Shore, Teck-Hughes and Wright-Hargreaves. Two shafts have been sunk on these properties. Shaft No. 1 is down to a depth of about 250 feet. Shaft No. 2 is down to a depth of about 150 feet. About 400 feet of lateral work has been done. The Northern Ontario Electric Power line is located at about 600 feet from the main shaft.

20 tons of ore were consigned to American Smelting & Refining Company, Perth Amboy, Pa., U.S.A., running 15.46 per cent. copper or 6,180 lbs.—valued at 16 cents per lb. This gave a gross value of $988.00. In this shipment no gold was reported and the assay showed one ounce of silver per ton, for which no pay was received.

In a letter describing this shipment the following charges were mentioned:

GROSS VALUE $988.00
Freight charges ...... $ 8.85 per ton
Smelting .... 6.00 per ton
Handling .... 3.50 per ton
Total...............$18.35 per ton or a total of $367.00

The net value was therefore $621.00.

Further shipments will be made to the Noranda Smelter.

We Offer the Unsold Portion of This Issue at 25 Cents per Share

Prospectus Map of Property and Further Informations Will Be Sent on Request

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LAKE SHORE NOW DOWN TO 400 FEET

Shaft is Sunk at Rate of Hundred Feet Monthly

LARGEST AT CAMP

Splendid Equipment Has Material Effect of Placing the Operating Costs on Economical Basis

From Our Own Correspondent

KIRKLAND LAKE. — The new four compartment shaft at the Lake Shore Gold Mine is now down to a depth of 400 feet and is being sunk at the rate of a hundred feet a month.

The shaft is to be carried down to the 2,000 foot level and is equipped to go still deeper for ore. The shaft is the largest in the Kirkland Lake camp and compares favorably with that of the McIntyre in the Porcupine district. It is 17 by 18 feet, has a cage way 6 by 12 feet, two skip ways 5 feet 8 inches by 5 feet 8 inches, besides a ladderway and counterbalance compartment.

Stations have been cut at the 200 and 400 foot levels and will be cut at each working. The new shaft has been constructed to take care of any future demands that underground development may render necessary. It will at the same time leave the old shaft entirely available for hoisting out ore.

The main operations on the Lake Shore at the present time, are being carried out on the 600 foot and 800 foot levels. The drifts carry clear through to the Teck Hughes property on the West, and Wright-Hargreaves on the east.

The Lake Shore, which is the second largest producer in the Kirkland Lake camp, is milling around 750 tons of ore a day. The value of its monthly production which amounted to around $265,000 a month up to the end of the quarter ending last September, has been considerably increased since then, as will be shown by the report for the final quarter of the year which statement will shortly be available.

Two parallel gold-bearing vein systems run across the Lake Shore property. These are from 8 to 30 inches in width, and very consistent with a tendency to widen at depth. The ore obtained is high grade, averaging from $18 to $20 a ton.

Lake Shore ore reserves have been blocked out for several years ahead.

Development work is now being centred on the 1,400 and 1,600 foot levels. Drifting has been carried out for several hundred feet on both, and the results obtained are reported to compare favorably with those obtained on the upper levels.

The splendid equipment of the Lake Shore mine has had a material effect on placing its operating costs on an efficient and economical basis. The underground haulage is carried on by electrically driven trucks, and all ore is dropped from the higher levels to one central loading pocket and hoisted to the surface by skips. This system, which has been employed by the Lake Shore for some time, is now being adopted by several of the other mines.

Lake Shore employs a force of 375 men.

SUNLOCK SHARES ON MONTREAL LIST

Another B.C. Subsidiary of Smelters Joins Active Trading Issues

From Our Own Correspondent

MONTREAL.—The latest "Smelters" protege to enter the Montreal field is Sunloch Mines which, because of its phenomenal rise in Vancouver, was brought last week to Montreal and listed on the curb market. Sunloch Mines is only one half of the half dozen small companies controlled by Consolidated Mining and Smelting Co., and which have recently sprung into prominence following the spectacular performance of Coast Copper, which, since its listing in Montreal, has proven an active trader.

Sunloch, which jumped from around the one dollar mark to five dollars within a few days, at Vancouver, was listed at about $4.50 in Montreal, and after rising to $4.75 has maintained itself fairly well around the $4.50 level.

The company controls thirty-five copper claims in the vicinity of the Jordan River in Vancouver Island. Its total capitalization consists of 1,000,000 shares of common stock, par value, $1, all of which are outstanding. There is also a seven per cent. bond issue amounting to $54,000 on the property. Of the million shares outstanding, the great bulk is in the hands of Consolidated Smelters, with 167,000 shares in the hands of the public.

The board of directors consists of the following: President, W. M. Archibald, who is an official of Smelters; S. G. Blaylock, managing director of Smelters; T. W. Bingay, Smelters comptroller; R. C. Crowe; W. O. Miller and A. N. Skill, the latter being secretary of the company.

The property itself seems to be favorably located on tide water and is quite close to the B.C. electric power plant which supplies the City of Victoria, and therefore, this seems to offer a logical site for a customs smelter, which it is anticipated will be built by Consolidated Smelters for the treatment of its ores from its now extensive holdings on the coast.

Mining Dictionary Published in Toronto

An interesting mining dictionary of vest pocket size, giving the meaning of approximately five hundred technical mining terms and market parlance in current use has been compiled and published by H. S. Shannon & Co., brokers, Toronto.

For daily readers of mining news it should make for a much more intelligent understanding of many engineering reports. The dictionary, which is attractively prepared and bound sufficiently strong to be used daily, also includes brokerage rates of the mining exchanges and ticker tape abbreviations in use by the Standard Stock and Mining Exchange. Spaces provided in the book for mining investment notes permit a permanent record to be kept by mining traders of their daily sales and purchases and the profit or loss.

DRILL IN SERPENT BASIN

Laval Quebec has made a contract to have Serpent River Basin properties, optioned from Engineers' holding company, diamond drilled. The drill is now on the way in.

Lebel-Oro Mine Grade Shows Improvement as Sinking Proceeds

Vein Widens Out Steadily to About Nine Feet

NEW FIND MADE

Recent Results Have Exceeded Highest Hopes of Management and Prospects Appear Good

Operations on the Lebel-Oro Mine were resumed at the beginning of November, last year. For this purpose, a powerful new compressor was purchased capable of operating three big drills, and additional camp buildings were erected and the entire mine was thoroughly reconditioned.

Wm. P. Murdoch, formerly with the Tonopah Mining Company, was engaged as manager, and he brought with him a crew of miners who had achieved fame in mining circles for their record footage in underground drifting and cross-cutting at the Morrison Mine in Gowganda.

Within twenty-one days the new plant was installed, the workings pumped out, and the miners were actively at work on the 200 ft. level.

Full Capacity

Since then, two shifts have been operated daily and work has now reached its full capacity. In the meantime, a new head frame has been erected, a new office and bunk house built, a new ventilation system installed underground, and a number of improvements effected to the camp in general, including the water supply.

At the time of the resumption of operations, the workings consisted of a two-compartment shaft sunk to a depth of 200 ft. on the No. 2 vein. Some 400 ft. of drifting had been performed at the 200 ft. level, and a small amount of crosscutting. Originally, five parallel veins were discovered on surface and these included the McGee vein, famous in the early days of this section for its spectacular gold values. The general geology is similar to that of the productive mines of the Kirkland Lake district, and consists of conglomerates in contact with red feldspar and quartz porphyries. A number of contacts traverse the property in a north-east and south-west direction, and the rich productive veins are usually found in or near the contact of these formations.

At the time of the cessation of previous operations, the No. 2 vein, on which work had been concentrated at the 200 ft. level, was about 4 ft. wide and had yielded a shoot of good grade ore in the last 30 ft. or so of drifting. Prior to that, the vein had been patchy with high values in spots, but the last 30 ft. gave promise of a steady widening of the vein, together with improvement in the regularity and consistency of the grade of the ore. These anticipations have been fully borne out by recent developments, and in fact the results have exceeded the highest hopes of the management.

Vein Widens Out

About 500 ft. has been added to the length of the drift at this level by the recent operations, and the vein has steadily widened out until it now has a width of from six to nine feet. Concurrently with this, the grade of the ore has improved and values are now running between $10 and $15 gold per ton, and the vein is heavily impregnated with tellurides in places. Between two and three ounces of silver per ton have also been obtained in some of the assays.

A total of about 400 ft. of good grade ore has now been developed at this level and drifting is continuing, with splendid values in the face. Mineralization carries into the walls for a considerable distance and the general formation and structure give the appearance of persistence of this deposit to great depth.

In addition to the drifting, cross-cuts have been driven north-west and south-east of the main vein, with the object of intercepting other parallel veins. To date, four new veins have ben cut and it is expected that a fifth will be cut at any time, as the cross-cut has encountered porphyry and heavy mineralization. A new vein was recently encountered in the south-east cross-cut, which gave values of $12 over 4½ ft. where intersected. Some drifting was performed on this vein and values up to $67 gold per ton have been encountered here. Drifting is also proceeding on the No. 4 vein, with very encouraging results, and it seems likely that these veins will add materially to the present ore reserves as they are developed. The large amount of work performed in the short space of time which has elapsed since resumption of operations is a tribute to the efficiency of mine Manager Murdoch and his crew. About twenty-five men are at present on the pay roll.

Some time ago an important new discovery was made on the surface about 650 ft. north-east of the workings. Mr. Murdoch is understood to be very much impressed by the possibilities of this new discovery, and it is now being stripped and opened up. It is proposed to drive a cross-cut from the present workings to intercept this find at a depth of 200 ft.

May be Diamond Drilled

In the early days, when assessment work was being done on the claims, a discovery was made on the shores of Mud Lake of a vein carrying considerable free gold. A brief examination at that time revealed a very interesting situation, inasmuch as this vein was striking across the south-east portion of the Lebel-Oro property into the lake and towards the Bidgood property. The vein was covered by some twelve feet of over-burden and the moment work was discontinued the trench became filled in with mud from the lake; but not before a study of conditions revealed the big possibilities indicated by the discovery. It is likely that this section of the property which lies several hundred feet from the veins, on which underground operations have been concentrated, will be diamond drilled at an early date in order to obtain further information at depth, and should it prove up to expectations it is likely that the present underground workings will be extended to that section of the property and the ore-body opened up.

It now appears that the vein system on which Bidgood has recently been achieving such outstanding success is a continuation of this discovery on the Lebel-Oro property by the shores of Mud Lake.

The Mud Lake area has always been regarded by geologists as a key-point in the formation of this section, much as Kirkland Lake is the central feature of the productive section to the west. The operations now proceeding on the Lebel-Oro, Cambro-Kirkland and Bidgood properties are, therefore, of most outstanding interest to all those familiar with the territory who have prophesied in the past that one day this zone would repeat the results of the Kirkland Lake vicinity. It has been remarked that the situation has many parallel features which might suggest that Lebel-Oro, Cambro-Kirkland and Bidgood will assume the position around Mud Lake which Teck-Huges, Lakeshore and Wright-Hargreaves have achieved around Kirkland Lake. It has been suggested recently that it would be a splendid thing if these three new properties were merged into one big company, possessing about 2½ miles on the strike and embracing the greater part of this potentially productive zone. Perhaps it is early to speak yet, but it is believed to be not impossible that some amalgamation may be brought about eventually. In the meantime each property is undergoing intensive development and the results obtained give grounds for optimism as to the future.

Reports have been current lately that Nipissing interests have been negotiating for a large interest in the Lebel-Oro property. The Nipissing geologist, Mr. Cyril Knight, is understood to have visited the Lebel-Oro Mine several times recently and to have thoroughly sampled it, and it is known that Nipissing has shown the greatest eagerness to obtain an interest upon terms that demonstrate their high opinion of this property. It is understood that the directors are favorable to the Nipissing offer and that a general meeting of the shareholders will be called shortly to vote upon the proposition.

Apart from the Nipissing negotiations, it is believed that other influential parties have indicated that they would be willing to take a substantial interest in the Lebel-Oro if terms could be arranged thereon. In fact, the position is a most interesting one and it may easily result in developments of the highest importance to this section of the camp. Should the present deal go through, we learn that it would be the intention of the Nipissing engineers to diamond drill Lebel-Oro property thoroughly, while at the same time continuing the present underground developments.

There are so many promising sections to this property that, until the ground has been thoroughly probed in a number of directions, it is impossible to state where the main concentration of values will be found, and a diamond drilling campaign would probably prove to be the quickest method of ascertaining all the numerous potentialities of this property. It is sufficient to say that recent operations have yielded the most definite indications of the existence of very important deposits of good grade ore and that these indications will be thoroughly and exhaustively tested as work proceeds during the next few months.

Will Add One Million to Siscoe Capitalization

From Our Own Correspondent

MONTREAL. — Siscoe Mines will shortly increase its capitalization from 3,000,000 to 4,000,000 shares of $1 par value.

The proceeds accruing from the sale of the additional shares will go towards the cost of erection of a mill. It is reported that this will be for 100 ton capacity. Recent reports from the property indicate favorable values on the 425 foot level where the vein has widened from about six feet to over eleven feet.

Premier Gold Mines Take Over Silverada

Premier Gold Mines, in taking over Silverado property, Portland Canal, agrees to form a new company, Silverado Consolidated, capitalization $1,000,000. The capitalization of the former company was $500,000.

The terms of the agreement gives the Premier company the option to purchase 550,000 shares of the 1,000,000 authorized. The price to be paid by the company is $500,000. Ten per cent. of this, or $50,000, will be cash.

The remaining shares of the new company, some 450,000, will pass to the present holders of stock in the Silverado company. These will be distributed pro-rata among the present shareholders.

As there have been less than 400,000 shares issued by the existing company, there will be not only the same number of shares issued to them as are at present held in the present company, but in addition there will be some 60,000 additional shares to divide among the present holders.

KIRKLAND LAKE'S MILL IS RUNNING CAPACITY LIMIT

Winze is Down to Level of 2,725 Feet

WILL GO DEEPER

It is Estimated That Value of Monthly Production is Approximately $38,000

From Our Own Correspondent

KIRKLAND LAKE. — Kirkland Lake Gold has its winze down to the 2725 foot level where it is cutting its second station. The winze was started at the 2,500 foot level some 400 feet south of the main shaft. The first station was cut at a depth of 2,600 feet and drifting has been carried on here for a distance of 300 feet, mostly in the westerly direction. Exploration work is being carried out on the winze, and the walls on the 2,600 level are reported to be somewhat wider consistently than they were on the upper levels.

All the ore operations are being carried out in the central portion of the property, and ore is being drawn from stations 21, 22, 23, and 24.

Kirkland Lake Gold is milling from 150 to 160 tons of ore a day, and the mill is being run to capacity. A total force of some 100 men are employed. It has been estimated that value of the monthly production is approximately $38,000 and the cost of operation about $7 a ton.

Kirkland Lake Gold is the third oldest mine in the Kirkland Lake camp, and has been in active operation since 1914.

Kirkland Lake is getting down to depth but it is proposed to go still deeper if necessary, to reach ore.

Holly and Smelters Pay Out $12,750,000

Canada's two premier mining operations, Consolidated Smelters and Hollinger Consolidated last year distributed to shareholders $12,750,000. Hollinger led Smelters by $42,000. In a recent compilation, a mistake was made in The Post and "Smelters" total was given as being much below what it actually should have been. The correct figures bring the total distribution of mine dividends for the year 1927 up to $27,466,000.

The figures:

Company	Rate	Total
Cons.-Smelters	10%+40*	$ 6,354,862.50
Dome	1.25	1,191,667.50
Hillcrest Coll. (com.)	6%	49,399.00
Hillcrest Coll. (pref.)	7%	60,000.00
Hollinger	26%	6,396,000.00
Int. Nickel, pref.	6%	534,756.00
Int. Nickel, com.	2.00	3,346,768.00
Gladstone Mt.	½c.	6,609.45
Granby Cons.	1.00	346,223.00
Keeley	16+4*	400,000.00
Kerr Lake	12c.*	72,000.00
Lake Shore	40+30	1,400,000.00
Mond Nickel, pref.	7%	1,312,500.00
Mond Nickel, com.	12½%	562,500.00
McIntyre	20%	798,000.00
Mining Corp.	25c.	415,013.00
Nipissing	9%	540,000.00
Premier	32%	1,600,000.00
Teck Hughes	10%	474,714.40
Vipond	3%	67,500.00
W. Hargreaves (old)	.25	687,500.00
W. Hargreaves (new)	.10	550,000.00
		$27,466,072.85

*Bonuses.

Shares of Mint Ore Are on Standard Exchange

Shares of mint ore are now being dealt in on the unlisted section of Standard Exchange. Company has 840 acres, known as Taylor-Henley, Harcourt and Tripp properties, in Woman Lake district, south of Jackson-Manion Mines. Capt. E. C. Tripp is at the present time on the property with a crew of men carrying on development work and further prospecting.

SURVEY AND DRILL SELKIRK

An electrical survey is being started on Selkirk property in Central Manitoba and will be followed by diamond drilling.

WEST DOME LAKE HAS GOOD RESULT ON 1,200-FT. LEVEL

Provided Results Justify It, Present Mill Will be Enlarged

From Our Own Correspondent

TIMMINS.—Encouraging results are being met with at West Dome Lake Gold where mining operations are being carried out on the 1050 and 1200 foot levels. Work on the 1050 level which was resumed a few weeks ago after being discontinued last September, has resulted in striking a new ore body. This has been drifted on for a distance of 100 feet and is still in ore.

A cross-cut is being run to the north on the same level to tap the downward extension of a vein cut by diamond drilling. The drill cut two sections each 5 feet in width, of $10 and $29 ore respectively. The cross-cut is within a short distance of the vein now and it is expected to strike it within a week. In driving to this vein another small vein was intersected which averaged $15 over two feet.

On the 1,200 foot level the drift is now in 85 feet on an ore shoot which it is anticipated will be at least 200 feet long. This ore has assayed $20 over a 5 foot width.

At the present time the management are hoping to resume milling in May or June. Provided sufficient ore is struck within the next two months to warrant such a step, the present mill which has a capacity of 100 tons a day, will be enlarged.

Some 15,000 tons of ore have been blocked out at the old West Dome workings which it is estimated will run $9 to the ton. No estimate has yet been made of the West Dome Lake ore reserves.

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This property consists of 240 acres situated on the north break of Kirkland Lake camp in township of Teck, and is in a direct line with some of the leading properties in the township of Grenfell to the south-west, and also the Goodfish Mines to the north-east, in the township of Morrissette. A great deal of activity is now taking place in the neighbourhood of this property on all sides by some large and important mining companies.

One important vein on the property between five and ten feet wide has been stripped for about half a mile. The Company sunk a prospecting shaft last year to a depth of 35 feet and received samples of ore which were assayed by Thos. Heyes and Sons and ran as follows:— $11.48, $2.46, $6.56, .20c. in gold. A camp was built, about ten thousand feet of trenching and stripping done and upon the advice of Mr. W. E. Simpson, M.E., the sinking of additional pits were undertaken last November.

A road was built to the south about one mile and a half to enable the moving in of heavy machinery for more extensive development work, which is planned. The company have carried on considerable development at their south Kamiskotia 160-acre property. In addition the Company have important properties of 200 acres at West Shining Tree, 720 acres in the Narrow Woman Lake section and 240 acres in Goudreau.

(We recommend this issue as an attractive speculation).

For further information and **free Ontario district map** please write:
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In addition to recording the quotations and sales of the Standard Stock and Mining Exchange, we constantly maintain a very helpful Bulletin Service pertaining to day-to-day developments at the various operating mining companies in Northern Ontario and Quebec.

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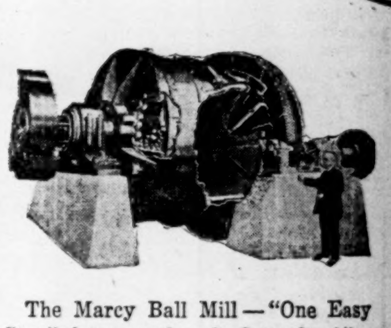

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AMULET
We have prepared a special letter regarding the present situation at this mine and will be pleased to send a copy to any one interested.
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GOOD MILLING AT SYLVANITE IS REPORTED

Since Opening Up, Mill Has Produced About $70,000 Monthly

COSTS ARE REDUCED

Stock Has Never Been Listed on Exchange — Shareholders Absorbed All Second Issue

KIRKLAND LAKE. — Sylvanite Gold Mines has produced on an average of from $60,000 to $70,000 a month, since the opening of its 200 ton mill last May. This has been mostly gold with a small percentage of silver. Production has been well maintained, and milling has averaged approximately 200 tons daily.

The Sylvanite has a three compartment shaft which is now down below the 1,500 foot level, and is being carried down to a depth of 2,000 feet. Active mining operations extend from the 700 foot level to the 1,500 foot level, at intervals of 125 feet. The next station will be cut at the 1,625 level, while a large haulage working will be opened up when the shaft reaches a depth of 1,750 feet.

The total force now employed by Sylvanite, both on the surface, and underground, totals about 140 men.

Program of Development

Under the Sylvanite's program of development, main haulage levels have in general been established at intervals of 250 feet. This has permitted a thorough program of exploration to be carried out, and at the same time has effected a material reduction in costs.

Ore is being pulled from each level, on which exploration work is being carried out, as it is the policy of the management to open up the various ore bodies and ascertain their extent. A lot of mill feed has thus come from the ore taken out in purely exploration work, and this has had a tendency to pull down values, as the low grade ore has been run as encountered. It may be assumed that, with the exploration work completed, and on the basis of showings to date, monthly production will show a substantial increase in value.

Sylvanite's entire milling and underground operations are being carried out under the direction of General Manager C. Earl Rodgers, M.E.

The Sylvanite operates a fine-grinding cyanide plant with series filtration on Oliver filters. The mill grinds approximately 97 per cent. through 200 mesh, and it has been found that due to this very fine grinding, the operation of the flotation machines, which were installed as a precaution, can be dispensed with.

The Sylvanite property consists of a group of 5 claims with a total acreage of 208 acres. It lies to the east of the Wright-Hargreaves property which it also borders on the north. The Sylvanite has 3 vein systems over a north-south extension of approximately 1,500 feet.

It is believed that at least two of these systems are the extensions of the Wright-Hargreaves veins.

Sylvanite is not as well known to the general public as some of the Kirkland Lake producers, for the reason that its stock has never been listed on the Stock Exchange. The original capitalization of the company was $3,000,000, and the shareholders took up the entire second issue of stock when the company increased its capitalization to $3,300,000. Three hundred thousand shares were issued at this time to provide funds for the erection of the mill and for other necessary expenditures.

The company is controlled by Buffalo interests. The mine office is located at Kirkland Lake and the executive office at Buffalo.

The company's officers and board of directors follow:

President—Edward L. Koons.
Vice-President—William L. Marcy.
Treasurer—Clark L. Ingham.
Secretary—W. S. Walton.
Gen. Manager—C. Earl Rodgers.
Managing Director—W. V. Moot.
Directors—Oliver Cabana, Jr., R. Hochstetter, James Y. Murdoch.

FULL OPERATIONS GO ON SMOOTHLY AT VIPOND MINES

Mill is Treating About 235 Tons of Ore Daily

TIMMINS.—Operations are proceeding smoothly at Vipond Consolidated Mines. The mill is treating about 235 tons of ore a day, the ore running a little over $7 a ton. The mine is worked from the old North Thompson shaft which is down to a depth of 1,200 feet, with levels at 100, 200, 300, 400, 500, 600, 733, 866, 1,000 and 1,200 feet. Work is not being concentrated in any particular section, but the mine is being worked throughout.

Vipond's ore reserves up to July 1927, according to the annual statement published last September, amounted to $1,400,000. No more recent calculations have been made public, and following the general practice of the company it is not likely that any further statement as to ore reserves will be made until publication of the next annual statement.

The Vipond property, which consists of 320 acres lying immediately to the south of the Hollinger, includes properties formerly operated by Porcupine Vipond, North Thompson, Porcupine Crown, and Thompson Krist.

In addition to this property, Vipond owns a three quarter interest in the Ridgeley Porcupine claims which lie to the east, and immediately adjacent to the Coniaurum Mines. The property is lying dormant at present but development of the Coniaurum will have an important bearing on the future of this ground, and Coniaurum's progress will be followed with much interest by Vipond shareholders.

ELECTRIC SURVEY FOR "SMELTERS"

The Schlumberger Company has just completed the electrical survey of a property of 1,300 acres on Cape Breton Island for the Consolidated Mining and Smelting.

Porcupine Paymaster's Concentrating Plant Almost Completed

42" Jaw Crusher Will be Installed Below 300-ft. Level

ORE IS LOW GRADE

Concentrating is Done in Water and No Cyanide is Used on Mine

TIMMINS. — Porcupine Paymaster's new 1,500 ton concentrating plant is rapidly nearing completion, and it is expected that it will be in operation by March. A great part of the heavy machinery is installed already, and the work of assembling the remainder is proceeding rapidly. The enlarged crushing plant is already in operation.

A 42-inch jaw crusher is to be installed below the 300 foot level, and the ore after passing through this will be sent direct to the concentrating plant. The crusher is expected the last of February.

Unique Among Mines

Porcupine Paymaster is unique among the mines of Ontario both in regard to mineralization and methods which differ largely from those employed by the other mines.

The typical Porcupine ore bodies consist of a system of veins occurring in schists and in close relation to intrusive bodies of porphyry. In cases where the fractures extend from the greenstones into the neighboring porphyry the values are lower in the portion of the vein within the porphyry, while the porphyry itself carries no values.

The Paymaster intrusives differ from the other Porcupine porphyries in that it is a feldspar porphyry, while the others are quartz porphyry. Moreover, the Paymaster porphyry is consistently mineralized with disseminated pyrite carrying gold.

The Paymaster ore consists of huge masses of low grade porphyry, and as there is no development rock practically the whole deposit is being mined as ore. For this reason the shrinkage system of stoping employed by the other mines has been done way with here, and a method closely resembling the quarrying system used in the iron mines, has been substituted.

Four Porphyry Bodies

Exploration work has disclosed four porphyry bodies lying within an area of five claims and located less than 1,200 feet from the central working shaft. This ore carries between $2.50 to $3 a ton.

A noticeable feature of the Paymaster's development is that operations are being carried out comparatively near the surface as compared to the other mines. Operations at the present time are being confined principally to No. 1 porphyry body which is approximately 800 feet in length, 100 feet in width, and has been drilled below 800 feet in depth. The levels run at intervals of 100 feet from the first level at the 100 foot horizon down to the 800 foot level. All the mining work is being done on the 300 foot level at present, where 350 tons of ore are being removed each day. Drifting is also being carried out on the 800 foot level.

No. 2 porphyry body, which lies north of No. 1, has an indicated width of 120 feet, and has been drilled to the 300 foot level.

The No. 3 porphyry lying south of No. 1 has a width of 90 feet, and diamond drill intersections from No. 4 body, lying north of No. 2, indicate a width of about 140 feet. Diamond drilling has been carried to a depth of 800 feet on No. 3 body, and to the 600 level on the others.

Five Million Tons

Assuming that the ore bodies Nos. 2, 3 and 4 average as well as No. 1, as it is anticipated they will, it has been estimated that there are between three and five million tons of ore in the four bodies above the 300 level.

The Paymaster ore is admittedly of low grade as compared to the other mines in the Porcupine camp. The factors on which the hope of bringing it into the ranks of the big dividend payers is based, are: the huge masses of ore, their close proximity to the surface, and the peculiar nature of the ore itself.

These factors lend themselves to both low mining and milling costs, costs that have been estimated at from $1.50 to $2 a ton, as compared to the usual standard of costs ranging from $4 to $8.

It is on this that General Manager H. E. Clement has staked his reputation, and it would appear that the confidence reposed in him by his company, will be amply rewarded.

An interesting description of the mining methods employed at the Paymaster was recently written by E. D. Loney:

"Almost immediately on stepping off the cage at No. 2 shaft an immense stoping area is entered. Stopes Nos. 10, 11, 12 and 13 follow each other in regular succession. Open stopes prevail, stopes 12 and 13 extending clear through from the main haulage level at 300 feet to the surface. Each of these stopes is 60 feet in length. There are 30-foot pillars between. Eventually the pillars between 10 and 11 will be slashed out, leaving two huge stopes. No. 14 stope, which is being opened up, will be 100 long, and like 12 and 13, will also extend from 300 feet to the surface. From the extreme foot wall to the extreme hanging wall of the porphyry is 130 feet, leaving an average width in the stopes of about 100 feet."

New Type of Stoping

"A new type of sub-level stoping has been adopted at the Paymaster. Starting from the various levels, raises are driven through 30-foot pillars and stopes are opened from a series of sub-levels which are established at 33-foot intervals. Between each sub-level a 25-foot bench is left by slashing a cut 8 feet high and 8 feet wide around a preliminary raise in the stope close to the raise pillar. The stopes are gradually enlarged to foot and hanging walls by alternate side slashing and breaking off the 25-foot benches with stoping and plugging drills, the benches comprising about 80 per cent. of the tonnage.

From the open stopes the ore falls by gravity to a series of grizzlies located above the loading stations on the 300 foot level. The grizzlies consist of heavy 15-inch steel girders placed about 18 inches apart. The grizzley crews are from two to four men with 12-pound hammers. This work will shortly be handled by the 42 inch jaw crusher which will be installed here.

From the crusher the ore will be carried by a conveyor belt direct to the crushing plant and from there to the concentrator. The ratio of concentration will be ten to one.

No Cyanide Used

The Paymaster milling process differs from that employed in the other mills in that the concentration is done in water, no cyanide being used, and a forty mesh instead of the usual 200 is employed. This permits the tailings to be employed in back-filling.

The Paymaster mill represents the last word in mechanical equipment. When the present concentrator is completed it will have a capacity of 1,500 tons, but provision has been made for doubling its capacity.

The cyanide plant which was built about a year and a half ago is to be continued in operation and will be fed with 175 tons from the concentrator and 125 tons of crude ore.

It has been estimated that with the new concentrator stepped up to capacity, gross-production from the Paymaster will be in excess of $100,000 a month by mid-summer.

Rhyolite Rouyn Opens Second Camp on Property

Rhyolite Rouyn, which has been working on the shore of Duprat Lake, has opened up a second camp about the centre of the property and men are engaged in stripping and test pitting gossan outcrops, one of which is close to Amulet boundary, while a second is about 2,500-ft. westerly from it. Both of these outcrops are on what was formerly known as Nipissing claims and are about fifty feet in cross section and are found in Keewatin basalt close to the rhyolite sill. It is in conjunction with these sills that the Amulet are securing ore.

A tender has been let for diamond drilling and just as soon as these gossan outcrops have been explored it is planned to diamond drill this mineralized area at depth.

Development Proceeds on Wessel Properites

Plans are well under way for the development of the Wessel properties adjacent to Sylvanite and Wright-Hargreaves. Backed by New York, Montreal and Toronto capital, a syndicate will proceed with operations on these properties in the near future. According to a recent engineering report on the holdings, the formation is the usual Kirkland Lake series of feldspar porphyries erupting through the Keewatin sand and Temiskaming sedimentaries at or near the contacts of which the vein systems are found. While a considerable surface work has yet to be done on the property, it is said that indications of ore of commercial value are by no means lacking. As a result of a complete geological survey it is learned that it is now possible to pick up the vein being worked on Federal Kirkland lying east of the south claims. The report points out that there is a strong possibility of other indications equally as good being found as the result of further investigations.

Hollinger is Silent as to Development of Jamieson Claims

Considerable Work is Accomplished and It is Reported Unofficially That Shaft Has Been Sunk 150-ft. Level — Dead End Not Reached

TIMMINS.—No official word has been given out as to the progress being made by the Hollinger Consolidated in the development of the Jamieson, McDonald, Johansen claims it has under option in the Kamiskotia district.

The claims were staked in November, 1926, optioned by Hollinger in December, and exploration and development work begun the following January. The option runs to March, 1929.

Considerable work has been accomplished by Hollinger since going on the property. From unofficial sources it is reported that the shaft has been sunk to a depth of 150 feet and a sump put in a distance of 120 feet. On the 150 foot level drifting has been carried on for a distance of 1,000 feet, and this has been proved up on surface by diamond drilling for a distance of 950 feet, and the dead end has not been reached as yet in either direction. Cross-cutting has been carried out 165 feet and is still in ore. This is said to run 2.5.

It is said that the limits of the south wall have been reached but that the drills are still in ore to the north.

It is also reported that contrary to general opinion the ore dips north and not south as was first believed. Hollinger has an option on the O'Gorman claims which lie to the north, so that if it should lose the vein on the property it is now working it will have good chances of picking it up again on the O'Gorman property.

The opinion prevails locally that Hollinger's Kamiskotia property is a big mine in the making. This would seem to be borne out by the large amount of money and time already spent on development. A new compressor with a capacity for 20 drills is now being installed, so that more rapid progress may be anticipated from now on.

March Gold to Commence Milling Operations in Spring

TIMMINS.—Milling operations are to start at March Gold early this spring. It was decided by the management some time ago that the mill would not be put into operation until at least a year's ore supply was ahead. It is stated that considerably more than this is now ready and milling could start at any time.

The mine is working 24 hours a day, the work of opening up the mine is steadily progressing and five levels will be opened up by spring. No 5 vein has been cut on the 425 foot level, and within two weeks time the sinking of the shaft will be resumed. Stations will be cut at 600 ft. and 750, and diamond drilling will be carried out at the 750 level.

Nearly a mile of underground work has been done on the different levels, as follows: 170 ft. level, 1,400 feet; 300 foot level, 2,800 feet; 425 foot level, over 500 feet.

Stopes have been opened on the first and second levels. The March Gold mill was completed a little over a year ago, and was operated for about 9 weeks, being fed with ore taken from the 300 foot level. Four shipments of gold were made to the Mint during that time.

Exploration work has disclosed six veins on the property, four of these on the 2nd and 3rd levels.

The president of the company, Bernard N. Hyman, of Buffalo, was present at the mine on an inspection trip when a representative of this paper visited the property. Mr. Hyman expressed himself as much pleased with the developments now being carried out, and as very optimistic as to the future.

Abonde Mines Completes Erection of Camps

Abonde Mines has completed the erection of camps on its holdings adjoining Abana, in Northwestern Quebec and the Radiore company immediately started an electrical survey. The company says it has been advised by Chas. Spearman, consulting engineer, that the Radiore Co. report having discovered a conductor showing in excess of 700 feet, which would indicate that Mr. Spearman's opinion as to the extension of the Abana vein into Abonde property is corroborated.

As soon as the Radiore survey has been completed it is the intention of the company to diamond drill the property to prove the indications shown by the Radiore report, and if the diamond drill encounters the ore to immediately sink a shaft to prove and develop the ore bodies.

CALGARY OIL STOCKS

Calgary oil stocks closed on Wednesday, as recorded by E. A. Pierce & Co., Toronto: Alta. Pac. 19; Dalhousie, 147; MacLeod, 122; United, 55; Ills. Alta., 28½; Royalite, 30.

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STRONG EVIDENCE OF ORE FOUND AT HALLOWELL

Electrical Survey is Made by Swedish American Prospecting Co.

HAILEBURY. — Operations are being carried out on the Hallowell property, Boischatel Township, Que., by the Hallowell Syndicate. An electrical survey is being made by the Swedish American Prospecting Co., and it is reported that the work to date has shown strong indications of mineralization. Similar results were obtained by a previous radiore survey, which was made when other interests were in control.

A crew of 12 men are now at work, and a zone of mineralization 120 feet wide by 300 feet in length has been found on surface. The southerly and westerly limits of this zone have not as yet been determined due to their dipping into low ground.

The Hallowell property was under option to the Timmins interests up till late last fall, during which time three diamond drill holes were sunk. When the Timmins interests stepped out of the picture, Montreal and Ottawa parties secured an option from one of the five original owners. The new interests immediately started work on the property and a Radiore survey was inaugurated. It appeared, however, that the option obtained was not valid, owing to the fact that it had not been sanctioned by a majority of the owners. Work was therefore ordered stopped.

The owners themselves then formed the Hallowell Syndicate, which was capitalized at 5,000 units and undertook the development of the property.

The units in question have been taken up largely in the City of Quebec and a charter is now being applied for for the incorporation of a $5,000,000 company.

It is stated that the company will start with over $100,000 cash in the treasury, and will thus be freed from the necessity of making any public offering of its stock.

Diamond drilling is to be undertaken immediately and tenders have already been called for.

The Hallowell property is well known, and is considered by many to be one of the most out-standing undeveloped prospects in the district. It is located on the highway between Cheminis and Rouyn, about a mile and a half from the Nipissing Central Railway, the Northern Canada Power line, and the Aldermac property.

OFFER BEVERLY ROUYN SHARES

Beverly Rouyn Mines, a new concern with properties in Rouyn, Que., and Sudbury, Ont., has made its appearance. Its capital is 5,000,000 no par shares. Shares are being offered at 30 cents.

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23 claims approximately 1,114 acres, situated in Ossian Township, Ontario
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IMPORTANT WORK IS PROGRESSING ON OSSIAN GOLD

Engineer Says Prospects, as Producer, Are Bright for Company

Developments of an important nature are now understood to be proceeding upon the property of the Ossian Gold Mines, Limited, which has taken over the property and assets formerly owned by the Ossian Holding Company, consisting of over 1,100 acres in one block in the Ossian Township, Ontario. The original discovery, consisting of a large outcropping of white quartz showing free gold in places, was made about five years ago by Frank Fishley and his partner, and the Ossian Holding Company was subsequently formed to develop it privately. Over $125,000 was spent in this way by the directors of the Ossian Gold Mines, Limited and their friends, and an extensive diamond-drilling campaign was carried out. This campaign revealed the existence of an ore body over 340 ft. long and extending to a depth of 400 ft. At this depth, the deepest hole cut the vein, which assayed $34 per ton in gold over a width of 5 ft. The average ore content of the entire series of holes was $14 per ton over an average width of 7 ft. In addition to the orebody which the drills delimited, as stated above, other holes clearly indicated the existence of a much larger body of ore extending to greater depths.

Following the diamond drilling, a shaft was sunk to a depth of 200 ft. and some 1,200 ft. of lateral work was performed at the first and second levels. This lateral work opened up the veins cut in the drilling and confirmed the results given by the drills. A second vein was also discovered angling from the main vein toward the south and dipping at an angle of 32 degrees.

Good Mineralization

The drifts on these veins have proved ore bodies in places several times wider than the width of the drift, and, in sampling, it was necessary to drill holes into the wall, in places, to get the full width of the vein. Both the quartz and the schist showed good mineralization and the veins themselves present a remarkably fine appearance. Good values in gold were obtained both in the main vein and the southern branch, as well as in the extension east.

The property was fully reported upon by J. W. Morrison, M.E., who stated, after an exhaustive analysis of the results and the indications obtained, that: "I consider the Ossian the best property I have examined in the past two years and believe its possibilities of making a producer are very bright." Such high recommendation from an engineer of Mr. Morrison's standing encouraged the directors to proceed with plans for the financing and development of the property upon a large scale. Consequently, the Ossian Gold Mines, Ltd., was incorporated with an Ontario charter, having a capital of four million shares of $1 par. Two million shares of this were issued to the Ossian Holding Company for the property and in consideration of the expenditure of over $125,000 thereon. The remaining two million shares were placed in the treasury and a portion of these are now being offered for public subscription by Wolfe, Carr and Company, Limited, Excelsior Life Building, Toronto, at 35c. a share. It is understood that all outstanding stock is pooled until February, 1929, so that the treasury financing may proceed rapidly. We are informed that the treasury is now in splendid shape and that, in due course, application will be made for the listing of these shares on the Standard Stock and Mining Exchange, Toronto.

Operations Resumed

Meanwhile, operations have been resumed upon the property, where 25 men are now engaged under S. J. Cook. It is planned to continue drifting on the vein at the 200-ft. level and also to cross-cut for other veins at that depth. It is probable that the shaft will be sunk to greater depth also and operations conducted down to at least 500 ft. Across the northern portion of the property there extends a gossan capping for a length of about 1½ miles, upon which no work has been undertaken so far. It is believed, however, that this gossan capping may overlay deposits of chalcopyrite, and it is the intention of the management to carry out a diamond-drilling campaign in this section. In his report, Mr. Morrison states that the formation of this property consists of rhyolites and andesites much folded and sheared. With the exception of a small body of porphyry to the east, no intrusive rocks have been found, but heavy mineralization over a large area indicates the possibility of a large intrustive body at depth. The rhyolites and andesites are, in his opinion, the same series of flows as those associated with the copper-gold deposits of Rouyn Township, Quebec. They are, therefore, capable of holding very valuable deposits of gold or copper and gold. The property is located in the north-western section of the Ossian township, which adjoins the boundary of Quebec. The mine is 8½ miles north of Dalby station on the Nipissing Central Branch of the Temiskaming and Northern Ontario Railway. The government have cut a winter road to the property and have stated that they will grade this road in the coming summer, thus providing splendid transportation facilities at all seasons of the year.

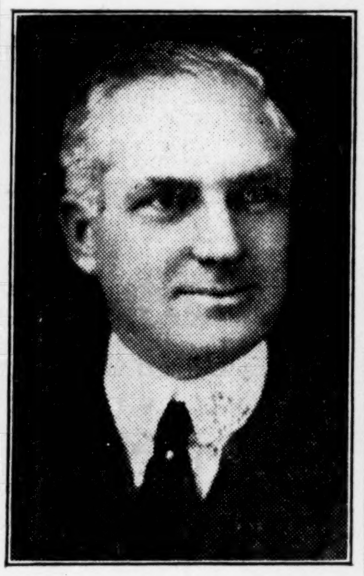
The mine is equipped with a complete mining plant, capable of carrying operations to considerably greater depth, and camp buildings sufficient for the accommodation of a large working crew. The property is well timbered and will furnish fuel for a steam plant for a number of years. Electric power for larger operations is available about 9 miles distant and can be obtained on reasonable terms when operations warrant it.

The directors of the company are: Robert D. Preston, president, Mayor of Oshawa; F. R. Bennetto, M.B., vice-president, Hamilton, Ont.; Walter E. Hurd, managing director, Toronto, Ont.; Albert J. Bolton, Toronto, Ont., and J. R. Howitt, solicitor, Guelph, Ont.

Walter Hurd and A. J. Bolton are also identified with the Lebel Oro Mine in Kirkland Lake.

This mining enterprise, believed by competent engineers to have unusual chances of success, is unusual amongst new public offerings in that no less than $870,000 worth of good ore has already been blocked out by diamond drilling and underground work prior to public offering. The section in which this property is located is now the scene of a number of other operations, and may be expected to grow considerably in importance during the next few months.

Returns to Mining



Patrick W. Cashman, formerly associated with Thomson, McKinnon, New York, has returned to Toronto to become a partner of Fred Crawford, in his brokerage business. Mr. Cashman is one of the pioneers of Ontario mining, having been associated with the firm of J. P. Bickell & Co. for years, and as a member of Standard Stock & Mining Exchange, of which organization he was president in 1920. He was one of the organizers of the McIntyre Extension, one of the earliest stakings of the Porcupine field, which was afterwards taken over by the McIntyre Mines.

SHAFT IS SUNK ON LEBEL LODE TO 35-FT. DEPTH

Samples Have Given Values Up to $90 in Gold

From Our Own Correspondent

HAILEYBURY. — A three compartment shaft has been sunk to a depth of 35 feet on the property of Lebel Lode Mines which lie north and west of the Continental Mine, Lebel township, Kirkland Lake district. A contract has been arranged for the further sinking of the shaft, and when present financing has been completed, the shaft will be sunk to a depth of 60 feet. The first station will be cut at the 300 foot level, and other stations at intervals of 150 feet thereafter. Cross-cutting will be carried out at the 300 foot level.

Some $50,000 has already been spent in developing this property, 200 feet of test pitting and 3,500 feet of diamond drilling has been carried out, and extensive trenching and stripping.

The erection of the frame work for a 32 foot shaft house is about finished and the powerhouse has been completed except for a gas compressor. It has been decided to operate under a temporary air supply until electric power is installed. Camp buildings including a power house, cookery, bunk house with accommodations for 30 men, and a blacksmith shop, have been erected during the past three months.

The Lebel Lode operators believe they have picked up the main break of the Kirkland Lake Camp in their No. 3 vein. The vein carries across the property for a continuous distance of 4,000 feet, 1,500 feet of which has been definitely located at surface, or been picked up by diamond drilling. The drills have indicated $10 ore across a width of 10 feet in a 40 foot wide fracture area. This has been cut by 3 drill holes at various depths, and has shown a favorable structure for making ore under development. It is believed commercial ore will be picked up 300 feet north of the shaft and within 300 feet of surface.

The values have not been exceptionally high on the surface but samples have given values all the way up to $90 in gold.

Two other veins, Nos. 1 and 2, have been located to the south of No. 3 vein and traced for a distance of several hundred feet each. It has been determined that they join up with No. 3 in a swamp to the north of the shaft. It is believed that No. 4 vein coming in from the northwest, will also junction with No. 3 vein near the same point as No. 1 and No. 2 vein.

Lebel Lode Ltd. was incorporated in 1921 by W. J. Post, North Cobalt, the discoverer of the property.

The company has an authorized issue of 2,000,000 shares of stock of a par value of $1. The vendor received 250,000 shares for the property, consisting of 3 patented claims. Two adjoining claims have since been purchased, bringing the company's total holdings up to 5 claims of 173 acres.

At the present time there are 900,000 shares outstanding and 1,100,000 in the treasury. Stock is being offered the public at 50 cents a share. The principal financing of the company has come from Scotland, a registry and transfer office being maintained in Glasgow in addition to that in Toronto.

AMITY ORE BODY IS TRACED OVER THREE GROUPS

Tretheway-Ossian Has Picked Up Extension of Vein System

From Our Own Correspondent

KIRKLAND LAKE.—The continuation of the vein system running through the Amity and Patterson mines has been located on the property of the Trethewey-Ossian Mine at Boston Creek, Pacaud Township.

Amity struck copper ore from 12 to 16 feet wide at a depth of 250 feet, some 120 feet from the granite contact. This was picked up by the Patterson 116 feet from the contact. It is reported that the vein was located some 3 or 4 feet from the surface and showed from 15 to 20 per cent. copper. The vein system was again picked up by Trethewey-Ossian 116 feet from the contact, at a depth of four feet. The indications are that the ore is apparently following the granite contact while dipping away from it.

Thethewey-Ossian during the past week cut solid pyrrhotite about 4 feet wide at a depth of 18 feet.

Operations were started on this property about the middle of December under the supervision of H. McMaster, M.E.

Work of sinking a test pit, which will later be continued as a shaft, was begun on the property about the middle of last December. Since operations began last spring, some 3,500 feet of trenching and 2,000 feet of diamond drilling has been done. Three gold-bearing veins have been located on the property. A hole was sunk at an angle of 45 degrees on No. 1 vein which showed a width of 12 inches at surface, and it was found to carry the same width all the way down.

Satisfactory Assays

No. 2 vein, 4 inches wide, was struck at a depth of 300 feet in one hole, and 250 feet in another. No. 3 vein showed 18 inches wide at surface. All the assays taken were satisfactory but did not show commercial values. It is believed that this will be obtained at depth.

As the copper vein on the Trethewey-Ossian runs in a south easterly direction, and the gold veins from east to west, it is proposed to make the one shaft serve the gold and copper operations by cross-cutting from the copper workings to the gold-bearing veins.

The shaft is to be continued down until it strikes the copper vein.

Thethewey-Ossian during the late summer and fall carried out prospecting operations on its property in Catherine township, where it has some 160 acres tied on to the southwest of the Ostrom Gold Mines. Several very interesting gold veins are reported to have been uncovered, one of which on the contact between the porphyry showed a width of about 10 feet on an average, with high mineralization and good values.

Weather Stops Operations

Operations were discontinued on this property in December because of weather conditions.

Thethewey-Ossian have erected camp buildings to accommodate from 15 to 20 men on both its properties, and an active campaign of development is planned for the spring.

Winter Roads Are Cut to Inter. Explor. Property

From Our Own Correspondent

KIRKLAND LAKE.—Winter roads have been cut and snow ploughed to the Interprovincial Exploration Company's property in Ben Nevis Township, 17 miles north of Dalby, where a private railway siding has been built. Two 70 h.p. boilers, a 6-drill compressor and an 8 by 10¼ hoist have been purchased. The equipment is now on the way to the property, and will be installed immediately on arrival. Complete camp buildings have been built and a force of 30 men are now employed. An extensive program of diamond drilling is to be carried out.

The property consists of a group of 20 claims which were located by P. J. Roache and purchased by the present company on the recommendation of Professor Louis D. Hunton, of New York.

In preliminary work on the property a shaft was sunk to a depth of 40 feet on the earlier discovered vein. On carrying out further assessment work three additional veins were opened up, all carrying consistent values. Ore assays showed lead, zinc, silver, gold and copper. The total value of the assays running up to $43. In sinking the shaft the vein has been found to gain in width and retain its values.

Development work which was started last September, is being carried out under the direction of P. J. Roache, the discoverer of the property.

The Interprovincial Exploration Co. is a close corporation. The present development program has been privately financed and no stock will be offered the public until such time as the directors are satisfied, such a step is warranted.

GOOD ORE REPORTED ON RUBEC PROPERTY

Drills Are Expected on Mine Within Two Weeks' Time

From Our Own Correspondent

HAILEYBURY.—Some nice showings of copper are reported to have been made on the property of Rubec Mines. Trenching and the sinking of test pits are being carried on by a crew of 14 men. Contracts have been called for diamond drilling, and it is expected to have the drills on the property and in operation within two weeks time. A road is now being located to permit the drills being brought in.

The diamond drill campaign prepared by Douglas Mutch, M.E., under whose direction the property is being developed, calls for 2,000 feet of diamond drilling. This may possibly be increased to 5,000 feet.

A mineralized zone 40 feet wide, 15 feet of which is heavily mineralized with chalcopyrite has been uncovered on the property. Another outcrop has been located 1,000 feet to the east on the same strike, and may prove to be a continuation of the same mineralization zone.

Rubec is working on a large gabro mass which extends north and east through the Laval property. Having the contract on the Rubec property is considered highly important, as it is along with such contracts, ore deposition is found. The same type of gabro is reported to have been found on the Newbec as on the Noranda property which lies a short distance to the north.

Continental Mines Shaft is Sunk to 50-ft. Depth

From Our Own Correspondent

KIRKLAND LAKE. — Continental Mines has its No. 2 shaft down to a depth of 50 feet. It is proposed to carry this shaft down to the 500 or 600 foot level, and make it the main working shaft. All the necessary machinery is now on the ground and will be set up immediately.

Cross-cutting is being carried out on the old shaft at the 800 foot level, both north and south.

Apex Mines to Resume Operations at Tisdale

From Our Own Correspondent

HAILEYBURY.—Apex Mines is reported to be about to resume operations on its property in Tisdale Township, Porcupine District. A shaft was sunk to a depth of 120 feet, 300 feet of lateral work, and considerable diamond drilling done on this property some years ago. It is now proposed to dewater the shaft. The workings are to be examined, and a program of diamond drilling has been mapped out.

The Apex ground has taken on considerable more importance than it had formerly, in view of the results recently obtained by Consolidated West Dome Lake which it adjoins to the northwest.

Apex Mines has recently acquired property adjoining Newbec Mines in Dusfresnoy Township, Que., and another property close to the Thompson Cadillac in Rouyn Township.

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We wish to announce that owing to the increase in our business we have moved to larger and more convenient offices located on the
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Our telephone numbers remain unchanged—Adelaide 3992-3296.
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Kirkland Lake

2,600-FOOT LEVEL RESULTS—Drift 400 feet long. Both faces still in ore. Average width over total length over 20 feet. Channel samples taken over full width, every five feet, with all visible gold eliminated, give an average value in excess of $24.00 to the ton. **2,725-FOOT LEVEL RESULTS**—Operations insufficient as yet to give either widths or values, but indications of conditions on this level lead to the belief that the same values that exist on the 2,600-foot level will be met with.

Shareholders should study these results before selling their stock.

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BIDGOOD
CONSOLIDATED
MINES LIMITED
(No Personal Liability)

SINCE resuming operations less than one year ago, the company has been successful in opening an extensive vein system. An ore body of substantial size and good width and value found at 250 and 300 feet is now being developed at the 400-foot level.

The management is confident, basing such an opinion on the best geological knowledge and mining practice, that this body will carry to greater depths, and is now proceeding with work on the 600-foot level in an effort to intersect the same ore body.

The Bidgood vein system has been traced or uncovered for a distance of more than a mile through the company's property, and is also found on the adjoining Cambro property, so that the operation has a very long "break" in which ore deposition has been proven where opened up, and presenting a prospect of years of operation in favorable underground structure.

The company owns 417 acres and is well equipped. Our own assay office is now in operation. We have signed a contract for electric power which will be available this month.

Since the present Bidgood operation was commenced and ore discovered, more than a dozen other operations have been started on properties in the eastern section of Kirkland Lake.

BIDGOOD CONSOLIDATED
MINES LIMITED
(No Personal Liability)
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VICE-PRESIDENT
M. J. Wallace - - - - North Bay
SECRETARY-TREASURER
Wm. B. McPherson - - - - Toronto
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Mine Manager—John McPhee
Head Office—No. 32 Imperial Bank Bldg., 171 Yonge St., Toronto

Offering the Unsold Portion of a Pre-Listing Issue.

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Gold Mines, Limited

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BRIG. GEN. B. N. HEPBURN, Picton
CLIFFORD MOORE, Cobalt
E. M. MURPHY, Swastika
R. H. LYMAN, Cobalt
JAMES H. RATTRAY, M.E., Cobalt

The property is capitalized at $3,000,000; of this amount 1,500,000 shares have been paid for the property and 1,500,000 allotted for financing.

The properties of Kirkland Eastern Gold Mines, Limited, lie immediately to the east of the main producing mines of the Kirkland Lake camp. Its surface is covered to a large extent by the waters of Gull Lake, and with the known geology of the district this presents no serious problem to mining operators, as it is not difficult to mine beneath shallow waters. Diamond drilling can be carried on almost as easily as from a rock surface.

The direction of the Company is in the hands of expert mining operators. Douglas G. H. Wright, who has had a long and successful career in the North, is consulting geologist.

A small portion of the pre-listing offering is available for purchase. Checks are to accompany orders, and stock will be issued according to the order in which subscriptions are received.

Price: 30 cents per share

We recommend this issue as a speculation with very apparent possibilities.

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